

Herald Tribune

Published with The New York Times and The Washington Post

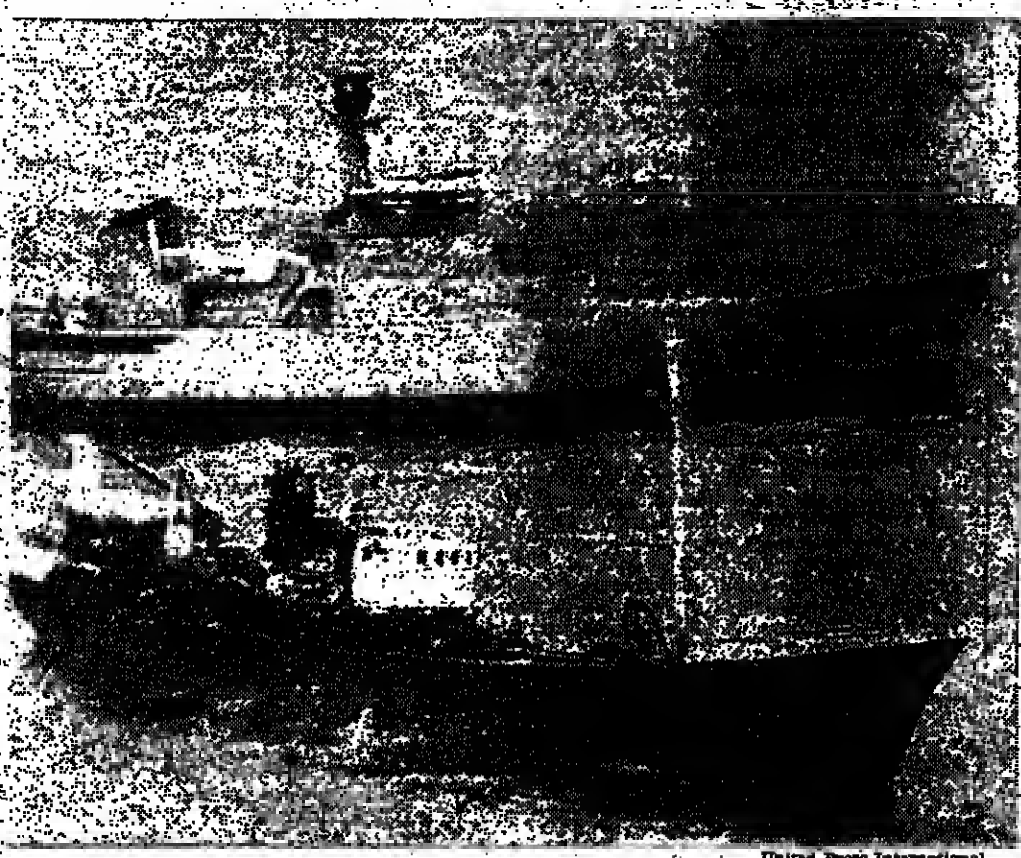
8,107

PARIS, MONDAY, MAY 28, 1973

Established 1887

WEATHER FORECAST - PARIS:
cloudy. Temp. 77-87 (24-31). Tomorrow, 77-87 (25-31).
Partly cloudy, chance of showers.
10-30 (24-30). Tomorrow: Partly cloudy.
75-85 (24-29). CHANCE: Moderate.
Sunny. Temp. 81-90 (27-30). NEW
Chance of rain, cloudy. Temp. 81-89
Yesterday's temp. 81-90 (24-30).
TIDAL WEATHER—Page 2.

Austria 8 S. Lebanon 9 P.
Belgium 14 S. Luxembourg 14 L.F.
Denmark 23 S. K.R. Morocco 13 Dr.
Eire (inc. tax) 11 P. Netherlands 1 P.
Finland 10 F.M. Nigeria 2/6
France 1.40 P. Norway 2.25 N.K.
Germany 1.00 P. Portugal 8 Etc.
Great Britain 10 P. Spain 10 P.
Greece 10 Dr. Sweden 1.75 S.K.
India Rs. 2.75 Switzerland 1.20 S.F.
Israel 200 Lira Turkey 50 L.
Italy 200 Lira U.S. Military 50 D.
Japan 120 Yen Yugoslavia 6 D.



Icelandic gunboat Aegir (background) passes by British trawler inside 50-mile limit.

Shells From Icelandic Gunboat Strike, Almost Sink British Vessel

From Wire Dispatches
REYKJAVIK, Iceland, May 27 (AP)—An Icelandic gunboat opened fire on a British trawler yesterday after it ignored repeated warnings and orders to stop, leaving the vessel shipping after a chase off Iceland's coast.

A coast guard spokesman said the trawler, the *Everton*, struck by six shells from the *Aegir* and was badly set. There was no report of casualties. The gunboat fired the trawler, then left it to be assisted by other British ships.

that the gunboat captain then contacted the *Everton's* captain by radio and warned him that he was going to fire at the boat itself. The captain then asked in which part of the vessel the crew was positioned, and he was told they were in the stern. To spare lives, the *Aegir* opened fire at the trawler's bow with non-explosive shells, he added.

Italy Gives Asylum To 31

Greek Captain Says Mutiny Was Better Than Civil War

ROME, May 27 (Reuters)—Capt. Nicholas Pappas, mutineer commander of the Greek Navy destroyer *Velos*, said today he chose exile in Italy rather than provoke a civil war in Greece.

Mr. Pappas, six of his officers and 24 crewmen were given political asylum in Italy after coming ashore Friday night at Fiumicino, a small harbor near Rome.

Soviet Pilot Held After Jet Falls In West Germany

BRAUNSCHWEIG, West Germany, May 27 (UPI)—A Soviet Su-7 jet fighter crashed into a field about 12 miles from the East German border today. The pilot bailed out safely and was turned over to West German authorities.

A Royal Air Force intelligence officer at Moenchengladbach Base said: "As far as we know, it's an old 1960 Su-7 ground attack fighter which strayed over the border by mistake."

The area is in the former British Occupation Zone and the British still have some responsibility under NATO.

A police spokesman said the crash occurred at 11:47 a.m. in bright sunshine near the village of Klein Schoppendorf, halfway between Braunschweig and the East German border.

In 1965, two Soviet pilots were killed when their Su-7 crashed near Spandau Prison in Berlin.



MUTINY ON THE VELOS—Officers and crewmen of the Greek destroyer waving from an Italian Navy launch carrying them ashore at Fiumicino, a small harbor near Rome.

They Settle In, Eye New Repairs

Parasol Rigged by Astronauts Cools Skylab; Power Still Cut

SPACE CENTER, Houston, May 27 (AP)—Temperatures dropped steadily today in the Skylab space station, now shaded by a partially deployed parasol. The three astronauts started moving into the space cabin that will be their home for weeks.

They had poked the parasol through a hole in the space station's ceiling late last night and watched as it lazily spread out its panels in the weightlessness of space. The parasol wrinkled slightly and did not open fully.

But they, and their support teams on the ground, were pleased with the partial success of their repair job. Officials here said that the partly opened sunshade may extend to its full dimensions, 22 by 24 feet, when the sun's heat causes it to expand. And they said that the astronauts may try to deploy another solar shade from among the two other types of parasols they took with them for their 28-day mission.

"There's no doubt about it, the temperatures have come down in a lot of places," said the Skylab-1 crew commander, Capt. Charles Conrad Jr., after a tour of the 113-foot-long space station this morning with his mates, Comdr. Paul J. Weitz and Lt. Comdr. Joseph P. Kerwin.

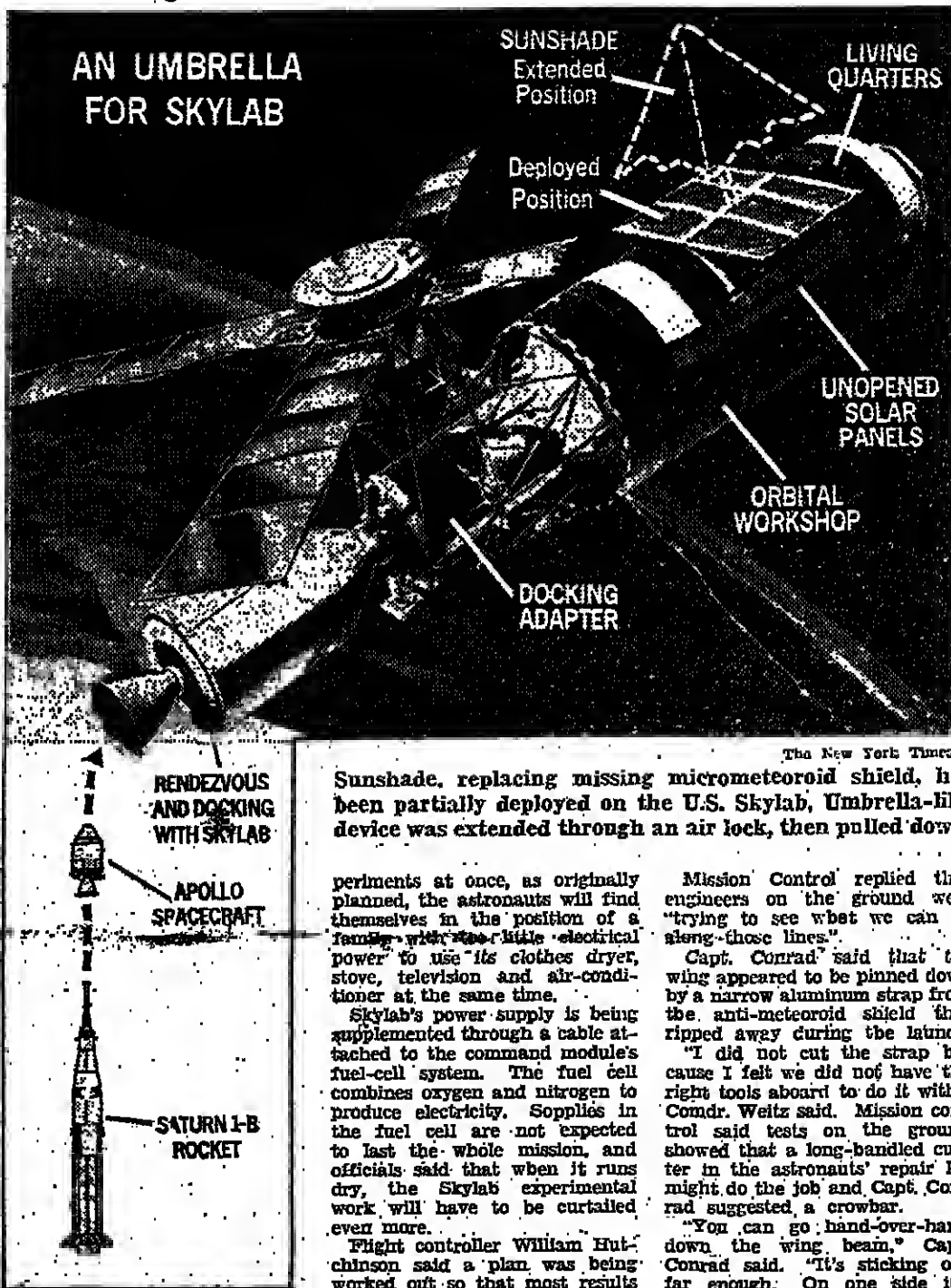
Officials here said the interior temperatures today were "like Phoenix [in Arizona] on a warm sunny day."

"Of course there is still a lot of heat inside here, but it feels pretty good down around the bedrooms," Capt. Conrad reported. He said there were "some local hot spots."

Temperatures, which had soared to more than 125 inside the unshaded space workshop, started dropping almost immediately after the astronauts pushed the umbrella device into place. Readings dropped five degrees in the first four hours and some gauges were reading as low as 85 to 98 degrees by the time the crew awoke in the vehicle which they had used to reach Skylab Friday.

Officials said the astronauts will start their mission's main work, a complex of on-board experiments, late tomorrow or early Tuesday. Temperatures in the space station are expected to hover around 80 by then, officials said.

Launch of the Skylab-1 crew was delayed 10 days to permit fabrication of some type of sunshade for the station. After their launching, rendezvous and docking Friday, the astronauts tried unsuccessfully to free a jammed solar panel. Four other panels,



fanning out from the station like the blades of a windmill, continue to operate as planned.

Because of the power shortage caused by the solar panel's jamming, officials said the astronauts would have to curtail their experimental work.

Instead of running several ex-

Sunshade, replacing missing micrometeoroid shield, has been partially deployed on the U.S. Skylab. Umbrella-like device was extended through an air lock, then pulled down.

periments at once as originally planned, the astronauts will find themselves in the position of a family with a "little electrical power" to use its clothes dryer, stove, television and air-conditioner at the same time.

Skylab's power supply is being supplemented through a cable attached to the command module's fuel-cell system. The fuel cell combines oxygen and nitrogen to produce electricity. Supplies in the fuel cell are not expected to last the whole mission, and officials said that when it runs dry, the Skylab experimental work will have to be curtailed even more.

Flight controller William Hutchinson said a plan was being worked out so that most results possible will be squeezed from the available power.

Today, however, Capt. Conrad, taking a break from the task of moving from the Apollo command module into the Skylab living quarters, suggested to Mission Control that his crew make another attempt to free the jammed solar wing on June 19, the 28th day of his mission.

Mission Control replied that engineers on the ground were "trying to see what we can do along those lines."

Capt. Conrad said that the wing appeared to be pinned down by a narrow aluminum strap from the anti-meteoroid shield that ripped away during the launch. "I did not cut the strap because I felt we did not have the right tools about to do it with," Comdr. Weitz said. Mission control said tests on the ground showed that a long-handled cutter in the astronauts' repair kit might do the job and Capt. Conrad suggested a crewmember try it.

"You can go hand-over-hand down the wing beam," Capt. Conrad said. "It's sticking out far enough. On one side it's clean, so you wouldn't cut your [space] gloves. I think if you could get down there with the pry bar, you could pry it loose."

The astronauts had tried to use some long-handled tools that they wielded from perches of their Apollo command ship as they flew it alongside Skylab on Friday.

That failed, but they proved their skill as repairmen Friday in another job. When they first rendezvoused with Skylab, the Apollo vehicle was attached to it in a "soft-dock" link-up with three latches gripping the orbiting laboratory. They disengaged to try to fix the solar-power wing, and then tried a "hard dock," but encountered trouble.

Capt. Conrad repeatedly poked the Apollo's nose into Skylab's docking collar, but the mechanism failed to engage. The astronauts finally redocked their space suits, vented their Apollo cabin, opened a hatch and partly disassembled the linking device. They then put the hatches into a properly cocked position.

Minutes later, they announced to Mission Control: "Yay! Hard dock!"

The astronauts had then been without sleep for nearly 24 hours. Of the possibility that the astronauts might have a "go" at further reducing the orbiting laboratory's temperature by deploying another sunshade, Skylab program director William C. Schneider said at Mission Control: "We have not closed the door to any further activity there."

Yesterday, the astronauts donned gas masks before entering the Skylab, but tests showed that no poison gases were present, and they began preparing for deployment of the parasol.

After spending last night in their delivery vehicle, the three re-entered the space station and spent most of today working to put its cabin in shape. They unloaded equipment that had been stored in boxes and aligned ducts to help the circulation of the oxygen-nitrogen atmosphere.

The astronauts frolicked through their moving-in chores, delighted with the ease of working in weightlessness.

A short television view beamed from the space station showed them flying from one point to another inside the Skylab, which has the volume of a 1,600-square-foot, three-bedroom home.

"You can go anywhere you want to in the vehicle," Capt. Conrad said. "You just shove off and go. It's just superb."

Once they are moved in, the astronauts will spend the balance of their mission controlling experiments which study the sun, stars, the earth and themselves.

They will operate a telescope which studies the sun and will probe the earth with sensors that study geologic formations, water resources, plant-growth

(Continued on Page 2, Col. 5)

3d Minister Allegedly Named In British Call-Girl Scandal

LONDON, May 27 (AP)—Britain's government sex scandal broadened tonight with "well-based" reports that Prime Minister Edward Heath was told the name of a third member of his Conservative government who allegedly was mixed up with call girls.

The Press Association, Britain's main domestic news agency, said today: "Mr. Heath now knows the name of a third minister who is alleged to figure in the call girls scandal."

Mr. Heath, who spent the weekend at Chequers, his country home near London, conferred urgently with Home Secretary

Robert Carr and Attorney General Sir Peter Rawlinson.

The name of "the third man" apparently arose during discussions on the scope of an official inquiry into possible breaches of national security arising from the scandal that already has forced two government ministers to quit.

In announcing the security inquiry to the House of Commons on Thursday, Mr. Heath said there were no grounds for supposing that any minister was involved other than Lord Lambton, a junior defense minister, and Lord Jellicoe, a senior cabinet minister, who resigned from his administration.

Scotland Yard has announced an investigation into claims by one call girl that a third minister is involved.

A popular newspaper, the Sunday People, quoted 26-year-old Norma Levy—the call girl at the center of the scandal—as saying the minister had paid her up to \$50 for her services as a prostitute.

Press speculation covered a wide range as Mr. Heath's cabinet officers prepared the ground for an official inquiry into security aspects by a three-man commission headed by 66-year-old Lord Diplock.

Informal sources said Mr. Heath probably would be in touch with Labor opposition leader Harold Wilson on Wednesday to discuss terms of reference for the inquiry, which is expected to get under way next month.

Mr. Heath will leave tomorrow on a two-day private visit to West Germany, returning on Wednesday.

Argentine, 20, Is Murdered By Kidnappers

ROSARIO, Argentina, May 27 (AP)—Jorge Arroyo, 20, a kidnaper victim from a wealthy family, has been murdered and his body dumped in a river, police said yesterday.

Mr. Arroyo was seized May 15 and held for a \$100,000 ransom, police sources said. His parents apparently agreed to pay only \$5,000.

Police said the body showed signs that Mr. Arroyo was killed about a week ago. His family owns a meat-packing plant near Rosario.

Urban guerrillas continued to hold at least six other persons hostage throughout Argentina, including a retired admiral, a lieutenant colonel and four businessmen.

The theory was outlined to

Haldeman, Ehrlichman Seen Linked to Ellsberg Break-In

WASHINGTON, May 27 (NYT)—Federal prosecutors now have evidence directly linking H. R. Haldeman and John D. Ehrlichman, former top White House advisers, to illegal activities against Daniel Ellsberg in 1971, sources close to the Watergate investigation disclosed yesterday.

The prosecutors have concluded, the sources said, that those activities were a major factor behind the decision at the White House to cover up the Watergate bugging a year later.

This theory of prosecution, for the first time linking the two aides directly to illegal activities against Mr. Ellsberg, was described by the sources as the heart of the government's prospective case against Mr. Haldeman, who resigned last month as President Nixon's chief of staff, and Mr. Ehrlichman, who resigned as his top domestic adviser.

The theory was outlined to

Archibald Cox, the newly appointed special Watergate prosecutor, in his meeting with the federal prosecutors last week.

A spokesman controlling access to Mr. Ellsberg denied that the two men had participated in or covered up any criminal activities while serving in the White House.

The sources disclosed that damaging evidence against Mr. Haldeman and Mr. Ehrlichman was recently presented to the federal grand jury by David E. Young Jr., the former National Security Council aide. He served as co-director of the so-called "plumbers team" that was authorized by Mr. Nixon to stop leaks of information after publication of the Pentagon papers in June, 1971.

Mr. Young testified to the grand jury after receiving partial immunity at the prosecutors' request last May 15, the sources said.

The prosecutors further believe, the sources said, that they can prove that key officials of the White House knew at the time they were committed that certain undercover activities against Mr. Ellsberg were illegal. These activities included a break-in in September, 1971, at the office of his former psychiatrist in Los Angeles.

The prosecutors are also known to believe, the sources said, that Mr. Nixon's statement last Tuesday on the Watergate cover-up was designed, in the words of one official, "to provide an umbrella of national security for Haldeman and Ehrlichman."

"If ever a statement was drafted to meet a grand jury inquiry, that was it," one Justice Department official said. "They [White House] tried to cover it up."

(Continued on Page 2, Col. 7)

Saudis Negotiating Purchase Of \$500 Million in U.S. Arms

By Michael Getler

WASHINGTON, May 27 (WP)—Saudi Arabia is negotiating with the United States for purchase of what is expected to be more than \$500 million in warships, military communications equipment and training assistance.

A Pentagon team, primarily comprised of Navy officers, was in Saudi Arabia in recent weeks, and government officials indicate that negotiations are under way for the sale of up to 19 U.S. warships—mostly destroyers and frig-

ates—to help strengthen Saudi naval influence in the Persian Gulf.

The prospective sales are part of a surge in arms sales and weapons deliveries throughout the Persian Gulf by the United States, Britain and Russia. Interest in the area is mounting along with concern over the security of much of the world's future oil supplies.

Including the expected sales to Saudi Arabia, U.S. arms sales in (Continued on Page 2, Col. 1).

Saigon Says Reds Shot Down Liaison Helicopter, Killing 12

SAIGON, May 27.—The Saigon government said yesterday that Communist guerrillas shot down an unarmed South Vietnamese liaison helicopter on a mission, killing all 12 persons aboard, including a regimental commander.

The incident was called one of the worst violations of the four-month-old Vietnam cease-fire by Lt. Col. Le Trung Hien, the chief spokesman for the Saigon command. He said the helicopter was over government-controlled territory, 30 miles north of Saigon, when it was downed Friday. Reports indicated that it was hit by a Soviet-built Strela heat-

seeking missile that is fired by hand, he said.

There was no comment from the Viet Cong.

The U.S. and Saigon governments and Canadian and Indonesian representatives on the International Commission of Control and Supervision have reported that many helicopters have been shot down, forced down or shot down. The Viet Cong claim that helicopters, including peace-keeping commission aircraft, have been used for attacks and spying. The Saigon government said the ICGC has said it suspected that the United States used true helicopters for spying, an allegation denied by the United States.

On April 7, the Viet Cong shot down an ICGC helicopter, killing nine persons.

Meanwhile, U.S. Deputy Assistant Secretary of State William H. Sullivan completed his swing through Indochina to confer on a cease-fire implementation program.

Mr. Sullivan had spent three days in Saigon going over a program worked out in Paris by presidential adviser Henry A. Kissinger and Hanoi's Le Duc Tho. Yesterday, he went to Phnom Penh for an hour's conference with President Lon Nol and then continued to Vietnamese and Bangkok.

Today, the South Vietnamese command reported outbreaks of fighting in the Mekong Delta, an area where government and Communist zones of control are ill-defined.

Communist attacks developed in the delta after a week-long lull, during which the lowest level of fighting was recorded in South Vietnam since the cease-fire five months ago.

The heaviest clash was reported in Kien Ho Province, 30 miles southeast of Saigon. A Communist spokesman said a Communist force attacked a government militia unit at dusk yesterday, killing two soldiers and wounding 17. The Communists were reported to have been beaten back, leaving 20 dead.

Bomb Along River

In Cambodia, U.S. B-52s and F-111 fighter-bombers struck Communist positions along the Mekong River yesterday to try to clear the way for a convoy of ships waiting to steam to Phnom Penh from the South Vietnamese border, military sources said.

Navy sources said the convoy, the first to attempt the trip since May 17, is expected to set out tomorrow or Tuesday.

Cambodian troops with U.S. air support also broke a Communist hold on a section of Highway 4, reopening the road to an important Mekong River ferry crossing, a military spokesman said. Highway 4 links Saigon and Phnom Penh.

About an hour after government gunboats left Phnom Penh to link up with the supply convoy, an American OV-10 Bronco spotted a rebel fire and burst into about 12 miles from the capital.

The Pacific Military Command reported in Honolulu that a U.S. F-4 Phantom crashed yesterday about 100 miles northeast of Phnom Penh. The two crewmen were rescued. On Friday, the pilot of a C-130 was killed when his plane crashed.

Duty Termed 'Exercise in Frustration'

Canada Seen Seeking Truce-Team Pullout

By Jay Walz

OTTAWA, May 27 (NYT).—With a decision expected in the next few days, a majority of Canada's cabinet reportedly favors ordering its peacekeeping force out of Vietnam, ending a four-month "exercise in frustration."

Mitchell W. Sharp, secretary

Frenchman Reports Shooting in Zambia

SALISBURY, Rhodesia, May 27 (Reuters).—A Frenchman touring Africa has alleged that his car was fired on by Zambian troops Wednesday when he was waiting near a Zambian border post to cross into Rhodesia.

Jean-Claude Couca, a Parisian, told reporters in the Rhodesian town of Bulawayo that the incident occurred at Zambia's Kasangula border post, a ferry crossing west of Livingstone near the point where the borders of Zambia, Rhodesia and Botswana meet.

Mr. Couca, 30, said: "I had a monkey and a chimpanzee in the car and near midnight, they started making a noise. I woke up and heard the noise of guns and saw four machine guns firing at the car from three different angles."

of state for external affairs, who has been Prime Minister Pierre Elliott Trudeau's principal spokesman in the matter, has made no secret of his view that Canada should withdraw from the International Commission of Control and Supervision, despite possible serious consequences for the truce.

Canadian doubts run deep that the commission—consisting also of Hungary, Poland and Indonesia—can ever function properly. Some here argue that the decision to withdraw should have come earlier.

But there was a general reluctance in the cabinet—including informed sources say, the prime minister—to act before Henry A. Kissinger, President Nixon's adviser, and Le Duc Tho, Hanoi's principal negotiator, had completed their discussions last week in Paris on ways of improving adherence to the Vietnam cease-fire accord.

Decision by Thursday

Ottawa still "hopes that out of these talks might come improved prospects of an ICGC that works," one official said.

The minority Liberal government, however, is under pressure for a firm decision by Thursday.

Canada reluctantly agreed to join the commission for a 60-day "experimental" period. It dispatched 290 observers, mostly military personnel, to Vietnam



WAR VICTIMS—With his artificial leg resting in foreground, wounded Cambodian veteran coddles his son at their home along Highway 13 near Phnom Penh.

U.S. Reports Say Both Sides Violate Vietnam Cease-Fire

By Jacques Leslie

SAIGON, May 27.—While the Nixon administration has publicly portrayed the Communists as the principal violator of the Vietnam cease-fire, classified documents prepared by U.S. Embassy officials here present a far less clear-cut view of the fighting, with both sides committing many major violations.

The daily situation reports also show that, except in the Mekong Delta area, fighting has decreased sharply since the cease-fire began four months ago. More than 60 pages of the documents, labeled "confidential," were made available to the Los Angeles Times. The reports cover part of May.

According to partial statistics in the reports, Saigon troops fired several times as many artillery and mortar rounds as Communist soldiers did in the period covered.

In addition, some descriptions of apparent Saigon violations either contradicted official accounts or were not reported by the Saigon military command. One report mentions the sighting of two American B-52s over South Vietnamese territory, also a violation, even if they were returning from a bombing mission in Cambodia.

Build-up Continues

On the other hand, Communist troops were reported to have launched dozens of small-unit

attacks against government outposts and were said to be continuing their military build-up in the northern region.

Before the cease-fire, President Nguyen Van Thieu said about probable Communist violations: "If the Communists use small guns, we will use a big gun."

The reports suggest that the government has followed this policy. During one four-day period in the northernmost of South Vietnam's four military regions, the Communists fired 896 mortar and only 10 artillery rounds. In turn, Saigon troops fired 8,074 artillery rounds.

While the reports did not give comprehensive statistics for shelling in other military regions, other sources here said that since the cease-fire Saigon troops have taken advantage of their superior firepower and have been shelling at a much higher rate than the Communists.

Combat activity appears to be dropping off elsewhere, but in the Mekong Delta it is still heavy, the documents said. Recently, there have been more incidents in the delta military region than in the other three regions combined.

Battle Incident

The tone of the reports suggests that in some instances U.S. officials condone the violence of violations by Saigon military spokesmen. Robert Walkinshaw, U.S. consul-general in Hanoi, reported an incident May 8 in Hau Nghia Province in which Communist soldiers were mowed.

Among the weapons captured by Saigon troops was one Chinese telephone, leading Mr. Walkinshaw to comment, "The capture of a telephone indicates the incident may have been a military violation by Saigon government forces."

In an incident May 16 in Phu My district, northern Binh Dinh Province, U.S. officials reported that a company of the 40th Regiment, 23d South Vietnamese Division, "was on patrol, when contact was made with an unidentified VC force."

In the ensuing battle, 53 Communist soldiers were killed while only two South Vietnamese soldiers were wounded. Saigon troops also captured 104 weapons and "destroyed a VC battalion training center and a 105-mm artillery position."

Later in the day, other companies in the 40th Regiment killed 39 Communist soldiers while only one South Vietnamese soldier was killed and one wounded. Suspicious because the casualty ratio was so remarkable, one report said, "The U.S. consul-general in Nha Trang suggests the 40th Regiment may have launched a 'pre-emptive operation'."

Picked Best Unit

That suspicion turned out to be correct as the next day's situation report explained: "Regional tactical operations center (TOC) in Nha Trang disclosed today that a patroling company of 40th ARVN Regiment which killed 53 VC on May 16... was actually not on patrol. According to most recent TOC version of incident, 23d ARVN Division... received firm intelligence on location of VC battalion-sized training center in northwestern Phu My district, picked best company in 40th Regiment for action, and made detailed plan for raid."

Although planning and carrying out a raid is an obvious cease-fire violation, the version of the incident which government military spokesmen released to the press did not indicate that.

© Los Angeles Times

White House Gives More Details on Nixon Lar

By John Herberts

MIAMI, May 27 (NYT).—The White House provided additional details yesterday regarding the financing of President Nixon's estate in San Clemente, Calif.

The White House disclosed Friday in response to numerous inquiries that the bulk of the estate was controlled by an investment company formed by Robert H. Abplanalp, a multimillionaire businessman who is a close friend of the President.

The company was formed to acquire and hold all but 5.9 acres and the house on the 25-acre, ocean-front property. The purchase price was \$1,249,900. The President and Mrs. Nixon acquired the property in 1969.

The statement issued Friday in Washington did not name the investment company, or give a breakdown of what improvements had been paid for by the government and by the Nixons.

Gerald L. Warren, deputy White House press secretary, said yesterday that improvements financed by the government totaled \$9,555 and were mostly dictated by security measures. The Nixons, according to Friday's statement, paid \$123,514 for improvements on the 10-room house and the 5.9 acres that the Nixons retained.

He listed the government improvements as follows:

For repairing a heating system, \$13,500; erecting a glass screen between the beach and the pool for security, \$12,946; for erecting a fence between the railroad tracks and the home, dictated by security, \$11,561; and for asphalt pavement between the house and White House offices, also security-connected, \$1,500.

Mr. Warren said that the wall

built around the entire 26 acres at government expense is merely on property owned by the Coast Guard. The White House offices are on Coast Guard property.

Mr. Warren said that Orange County, Calif., property records show no evidence that the property had been legally divided between the Nixons and the investment company because

entire transaction is being filed by a trust and no records are required. He said after the mortgages have been paid off by both parties, no deeds will be issued by county.

He said the White House will furnish the name of the investment company, that information would have to come from Mr. Abplanalp.

He could not be reached by telephone. His office in Lauderdale, Fla., said he was in the Bahamas and would be "out of touch" for two or three days. He was believed to be in the Bahamas.

The President frequently on Florida weekends with businessman friend, Clay Rebozo. Although Mr. Rebozo spends considerable time in California and Florida, he is at the presidential retreat, Camp David, a favorite place to relax.

The White House stated last Friday that a Mrs. Nixon purchased the estate for \$14 million in a \$100,000 down payment, leaving to sell a portion of it.

Mr. Abplanalp helped with financing. At one point, it was said, the Nixons had \$625,000 in notes.

U.S. Civil Unit Calls '72 Campaign Dirtiest, a Threat to Free Society

WASHINGTON, May 27 (AP).—There was more dirty campaigning in 1972 than ever before with the Watergate conspiracy making a mockery of self-government, a Fair Campaign Practices Committee report says.

Vote apathy may be part of the reason for "the political sewage of 1972," it says.

The report, released today, said President Nixon has suggested that the Watergate affair is "only the latest example of the kind of shady tactics that politicians on all sides have been using more and more in recent years."

The report said, "A list of unethical and/or illegal campaign practices which have been associated with the break-in at the Democratic National Committee offices at Watergate... includes theft of campaign documents, electronic eavesdropping... falsification of letters and advertisements slacking off polls... spying on opponents, and attempts to cover up apparent crimes."

"In nearly 20 years of studying the political process, the Fair Campaign Practices Committee has uncovered no campaign tactics comparable in extent or in potential damage to a free, self-governing society."

The report also cited the Civil Service Commission report that complaints about federal employees violating the Hatch Act were one-third higher than in 1968... and complaints about state and local employees violating laws against partisan political activity had nearly doubled. "The Hatch Act bars federal employees from participating in politics."

The committee is a private, non-partisan organization. It receives complaints of violations of the 20-year-old Code of Fair Campaign Practices traditionally subscribed to by political leaders and many candidates.

Greek Capt. Sees Mutiny As Best Step

(Continued from Page 1)

NATO's eastern flank when half of the military officers are in jail and the other half are busy guarding them."

He said the idea of the mutiny had been in his mind ever since the military coup in Greece in April, 1967, but it was not until Thursday, when the Velos heard radio reports of a counter-coup attempt, that he decided to act.

Capt. Pappas said that "We don't belong to any political party, right, left or center. We are officers of the armed forces of Greece who have embarked on this action because we are faithful to our oath of loyalty to the Greek Constitution."

Regime Claim Denied

He said: "I want to add that the Greek regime presents itself as representing the armed forces, but it is a big lie. The 1967 coup d'état was done by just a few self-interested officers."

All the Velos' 719 men pronounced themselves against the situation in Greece "as one man," Capt. Pappas said.

But he said he had ordered as many as possible to stay on board and return to Greece. "I thought it would be too big a problem for Italy and for myself if I had taken 270 people ashore."

"So I ordered 'those as I could, particularly those with families, to stay on ship,' said the captain, himself, the father of two. All those who disembarked with him were career men, the youngest 18.

Asked what would happen to the "mother's" families, Capt. Pappas replied: "I don't know, but it is obvious that we weighed all the consequences before taking our decision."

"Shortly after the skipper and his group came ashore at Fiumicino yesterday, an official Greek delegation boarded a motor launch and sailed out to the Velos. The party included three officers attached to the NATO naval command in Italy and three plainclothesmen, believed to be Greek secret service agents."

The destroyer sailed off under its new command last night and today arrived in Genoa, where it is expected to remain until Wednesday.

Referendum of King

ATHENS, May 27 (NYT).—Two Athens newspapers reported today that the government had decided to hold a nationwide referendum soon to determine the future of self-exiled King Constantine.

The newspapers, Eleftheros Kosmos and Akropolis, both supporters of the government, deplored the 23-year-old king's refusal to condemn last week's military in the Greek Navy. They said that his silence implied that the plot had royal blessing.

Hanoi Criticizes France's Ties

TOKYO, May 27 (AP).—North Vietnam has criticized France for re-establishing diplomatic relations with South Vietnam while "keeping a negative attitude toward establishing relations with the Viet Cong's Provisional Revolutionary Government."

The official Communist party newspaper said Friday that the existence of the PRG was affirmed in the Paris peace agreement for Vietnam, "to which the French Republic is a party."

The paper's commentary, broadcast by the official Vietnam news agency, said: "How can an act be called right which favors the Saigon administration now making a last-minute war move in opposition to democratic liberties and national concord?"

Haldeman, Ehrlichman Se Linked to Ellsberg Break-

(Continued from Page 1)

House officials know what the prosecutors have been doing with witnesses."

Gerald L. Warren, the deputy White House press secretary, denied that Mr. Nixon's statement that the break-in was connected in any way to the White House activities undertaken in response to the publication of the Pentagon papers. The statement said:

"The May 23 statement was clear in its purpose and its scope, which were outlined at the time it was issued. The claim made by the anonymous source in the story that the statement was designed for some other purpose is ludicrous. The White House does not have access to grand jury proceedings."

The prosecutors' thesis, in essence, is that the White House participated in covering up the bugging of the Democrats not only for political reasons but also to insure that Sen. Howard Hunt Jr. and G. Gordon Liddy kept silent about their role on the "Plumbers" team.

According to a General Accounting Office report released on May 20, the cover-up included payments of more than \$450,000 to Hunt, Liddy and the five other defendants who were arrested last June 17 in the offices of the Democratic National Committee in the Watergate complex, and to their attorneys.

Liddy and James W. McCord Jr., part of the burglary team, were convicted at a trial in January after Hunt and the four others had pleaded guilty.

Key Operatives

Liddy and Hunt are known to have served as the key operatives for the "Plumbers" and were responsible for planning the burglary of Mr. Ellsberg's psychiatrist, although it had been sanctioned at a higher level. In early 1972, both men were transferred to the Republican re-election committee, where they ended up directing the five-man Watergate break-in team.

The first indication of the prosecution's theory was contained in a four-page press release distributed Thursday by Harold H. Titus Jr., the U.S. Attorney for the District of Columbia, who is the direct superior of the three-man Watergate prosecuting team.

In the statement, Mr. Titus reported that the prosecutors planned to issue comprehensive indictments within 60 to 90 days; he further disclosed that one key witness, later identified as John Stuart Magruder, a former White House and re-election committee aide, had agreed to plead guilty and testify as a prosecution witness.

But Mr. Titus's statement also noted: "The proposed indictment would focus on the obstruction of justice which occurred after the Watergate break-in on June 17, 1972, but will include criminal activities beginning in 1971, which together with the Watergate break-in motivated the massive obstruction."

In subsequent interviews with Justice Department officials, defense attorneys and White House officials, it was asserted that the prosecutors had definitely established the link between the 1971 "Plumbers" team and the subsequent Watergate cover-up.

Some also said that the government tentatively planned to indict the ring leaders of the conspiracy—said to include Mr. Ehrlichman and Mr. Haldeman—and bring them to trial in a group.

"We're going to have our own domestic Nuremberg trial," one official said.

A spokesman for Mr. Haldeman and Mr. Ehrlichman, who are jointly represented by John J. Wilson, a Washington lawyer, described the government's theory linking the 1971 "Plumbers" operation to the 1972 Watergate

cover-up as "being made of whole cloth."

"We remain convinced," a spokesman said, "that there is no criminality on the part of Haldeman and Ehrlichman in the government's going a hell of a time or two."

In other Watergate matters:

• The Senate Watergate investigating committee re-suggestion that it press a bill to find out if Mr. Ellsberg is involved in the scandal.

Samuel Dash, the co-counsel, said the suggestion was discussed briefly at a meeting. "The committee to proceed in an orderly way have been," Mr. Dash said.

• Five of the convicted Watergate conspirators were tried in secret at the Federal reformation Institute in 1971, from the Dist. Columbia Jail.

The five are Bernard L. 55, Eugene J. Martin, Frank A. Sturges, 37, Jose Gonzalez, 45, and E. Howard Jr., 54.

• Newsweek magazine's "this week's issue" that House agents "made sure entries to undermine a fence" in at least three cases although such entries are forbidden.

The magazine did not say the agents allegedly law the burglaries.

It said undercover "working for the edifice" in the entries in cases involving the Black Panther, a Black Panther, and the Seven.

The magazine gave no details.

President Nixon reviewed week he had approved a ruling suppressing emotional defense but said never been put into effect week said it had "emotional" temporarily.

The plan was vetoed by FBI Director J. Edgar Hoover.

• In an interview with magazine, former White aide John W. Dean Jr. probably would not test what he knew if he is "The Senate Watergate investigating committee has immunity for Mr. De... prevent him from prosecution on the basis of what he tells the committee the Justice Department refused to go along.

WEATH

Do you know?

The M.S. RENAISSANCE of the "Compagnie des Croisières PAQUET"

will leave LE HAYRE on JUNE 12th, for a SPECIAL FRENCH-AMERICAN CRUISE IN THE BALTIC.

You will discover Norway, Sweden, Russia, Finland, Poland and Denmark.

*All activities conducted in English.

For all information and reservations, please apply:

COMPAGNIE DES CROISIÈRES PAQUET,

6 Boulevard Malesherbes, Paris (8e). Tel: 266-47-53, or your travel agent.

SALE OF HAUTE COUTURE MODELS WITH LABELS

Always from the latest collections. Tax Free. Facilities alterations.

123 Rue La Botz (8e)

CABESSA

4th Floor on the left (open every day, except Sundays)

John J. Wilson

Way Indicates Nearly Half U.S. Fires May Be Arson

By Bill Kovach

INGTON, May 27 (NYT). Economic incentives for arson may account for the deaths and property loss of all industrialized nations, according to a study by the Federal Bureau of Investigation and the National Fire Protection Association.

The study, which is the first of its kind, found that in the United States, arson is the leading cause of property loss, accounting for nearly half of all fires.

The study also found that arson is the leading cause of deaths in fires, accounting for nearly half of all fire deaths.

The study was conducted by the FBI and the NFPA, and was based on data from 1968 to 1971.

The study found that arson is the leading cause of property loss in the United States, accounting for nearly half of all fires. The study also found that arson is the leading cause of deaths in fires, accounting for nearly half of all fire deaths.

on Guard in Copter; 9 Hurt

SCAYNE, Fla., May 27 (AP). A helicopter investigation was day into an Army helicopter which killed a Secret Service agent and injured nine others.

The helicopter, which was carrying seven Secret Service agents and two other people, crashed off Grand Cay in the Bahamas.

The helicopter was carrying seven Secret Service agents and two other people. It crashed off Grand Cay in the Bahamas.

Major Challenge To Mayor Yorty In Los Angeles

LOS ANGELES, May 27 (NYT). Thomas Bradley, a black city councilman, holds a slight lead over Mayor Sam Yorty in the last poll taken before the Los Angeles mayoral election Tuesday.

But the mayor could be challenged by a coalition of black and white voters, including the black community and the white community.

The coalition of black and white voters could challenge Mayor Sam Yorty in the last poll taken before the Los Angeles mayoral election Tuesday.

House photographer who was waiting at the side of a helicopter to be picked up for a flight to a nearby island, heard the helicopter make a splash of very turbulent, the engine cut off, then there was just a puff of smoke.

The helicopter had made a splash of very turbulent, the engine cut off, then there was just a puff of smoke.

White House said the helicopter, which was carrying a Secret Service agent and nine others, crashed off Grand Cay in the Bahamas.

The helicopter, which was carrying a Secret Service agent and nine others, crashed off Grand Cay in the Bahamas.

Italy Ousts Aces As Champions In World Bridge

GUARUJA, Brazil, May 27 (NYT). Italy won the world bridge team championship for the early hours of yesterday morning, crushing the defending champion Aces in the final and regaining the Bermuda Bowl which they last won in 1969.

The winners were Italy, led by Giorgio Belladonna, Pietro Forquet and Benito Bianchi, together with two alternates, Giuseppe Garaballo and Vito Pittella, who played only at the final when the result had already been decided.

Get of CIA to Be Less than \$1 Billion

IRE, N.D., May 27 (AP). A member of the watchdog committee on intelligence said Friday night the annual budget for the CIA is \$1 billion a year.

The committee said the annual budget for the CIA is \$1 billion a year. The committee said the annual budget for the CIA is \$1 billion a year.

Young said that the budgets for the intelligence agencies are "class information and I comment more specifically."

Young said that the budgets for the intelligence agencies are "class information and I comment more specifically."

THE FINEST PERFUMES & GIFTS, ALL IN ONE SHOP
HELENE DALE
7 Rue Scribe, Paris-9e. Phone: 073-92-60.
FREE PRICES — DISCOUNT ON THE SPOT



PEOPLE TO PEOPLE—Russian youths gather around Jacobin Gilbert, 22, of Cambridge, Mass., at "Outdoor Recreation U.S.A." exhibit in Moscow. He is a doctoral candidate at Harvard and one of 22 Russian-speaking American guides at the exhibit.

Refused Gas, U.S. Motorist Kills Attendant

OAKLAND, Calif., May 27 (AP). A service station attendant was shot to death because he refused to fill the gas tank of a man who had bought a full tank earlier, police said today.

The attendant, Henry Barr, 43, of Richmond, Calif., had his gas tank filled up on Friday. He returned to the same service station yesterday for more gas, and attendant Henry Barr, 43, of Richmond, Calif., had his gas tank filled up on Friday.

Mystery Illness of 80 Persons Called Product of Imagination

BERRY, Ala., May 27 (AP). The spread of a rash, dizziness and nausea among more than 80 pupils and teachers at an elementary school in this northwest Alabama town has been diagnosed as an incident of mass hysteria.

The diagnosis was made by a state health officer Friday after a two-week investigation. Dr. Inez Fowler, a psychiatrist who has lived among the residents most of her life, agreed that the illness was imagined and not real after the initial development of one person's rash.

Tornadoes, Rain Kill 11 in U.S. Midwest

ST. LOUIS, May 27 (AP). Tornadoes and heavy rain struck Arkansas, Oklahoma, Kansas and Missouri yesterday and early today, killing at least 11 persons. Three other persons were missing and presumed drowned.

Five of the victims died in a tornado that struck Kaskaskia, Okla., yesterday. Three were killed by a tornado that hit Jonesboro, Ark., early today and three others drowned in south-central Kansas when a tornado smashed their fishing boat. The three missing persons were members of a St. Louis family whose car was swept into a rain-swollen creek this morning.

Argentina Grants Amnesty To All Political Prisoners

From Wire Dispatches
BUENOS AIRES, May 27.—All of Argentina's political prisoners, perhaps as many as 1,000, were granted amnesty today as Congress approved a bill submitted by the new Peronist government.

The bill, proposed by President Hector J. Campora during his inaugural address on Friday, also abolished the special "anti-subversive" courts set up under the military regime, which was replaced on Friday, and also legalized the long-banned Argentine Communist party.

Most of the prisoners affected by the amnesty had been released from jail yesterday under an executive pardon issued by Mr. Campora, a few hours after he took office. The pardon released many urban guerrillas.

The amnesty law quashed all convictions for crimes committed "for reasons connected with political, social, labor or student activities."

Working Sessions
The Senate and Chamber of Deputies approved the amnesty bill unanimously early today as they ended their first working sessions since the military seized power in June, 1966.

In another action, the government announced that it was considering immediate salary increases for some nine million workers.

Yesterday, Mr. Campora spent an hour with Secretary of State William F. Rogers, representing the United States at Mr. Campora's inauguration Friday. Mr. Rogers went last night to Jamaica, the final stop on a 17-day tour.

Mr. Rogers said he believed the meeting erased "some misunderstandings" related to the feelings by some that the United States is opposed to Latin American nationalism.

"This is simply not true," Mr. Rogers said. "U.S. policy is that it is vitally important for each nation to want to improve itself and this type of nationalism is very constructive."

"Just Compensation"
However, he said such nationalism "doesn't give a country the right to expropriate the property of others without just compensation."

The leftist government of Chile has nationalized U.S.-owned copper interests without compensation. Mr. Rogers met on Friday night with Chilean President Salvador Allende, who also was attending Mr. Campora's inauguration.

"We had an active and useful discussion but will have to wait

Professional advice and guidance on selective loose diamonds for investment purposes.
London bank safekeeping and free insurance.
Informative brochure upon request.
Investment Brokerage Department
London Diamond Exchange
45 Abchurch Lane
City of London, E.C.4

Illegals in Drugs, Workers U.S. Abuses Widespread on Mexico Border

By Denny Walsh

WASHINGTON, May 27 (NYT). The U.S. Department of Justice has amassed evidence of widespread corruption in one of its branches, the Southwest Region of the Immigration and Naturalization Service, government sources have told The New York Times.

The corruption, for the most part, exists along the 2,000-mile U.S.-Mexico border, according to the sources.

The sources said that investigation by the Justice Department had found that Immigration Service officers were engaged in the following:

- The smuggling of narcotics into the United States.
- The smuggling of aliens into the United States.
- The sale of documents necessary to enter the United States.
- Falsifying aliens into the United States for illegal purposes.
- The physical abuse of immigrants.

The evidence has come to light as a result of Operation Clean Sweep, an inquiry into the workings of the Immigration Service in the Southwest that was ordered by the then Attorney General Richard G. Kleindienst on May 5, 1972.

Charges have been brought against 11 persons, including seven Immigration officers or former officers, and more are expected.

The head of the Immigration Service has acknowledged that problems exist, but he says that they have been caused by a small fraction of his personnel and are being solved.

Operation Clean Sweep is being conducted by agents of the FBI, Justice Department attorneys and a small group of immigration investigators detached from their regular duties. It has turned up enough evidence to convince some officials in the Justice Department that there is at least one, and in most cases more than one, dishonest immigration official at every major port of entry on the Southwest border.

In an interview this month, James F. Greene, acting commissioner of the Immigration and Naturalization Service, said he did not believe it was fair to publicize the misdeeds of a few in the service at the risk of tarnishing the entire agency.

"I have every confidence that the grand jury and investigators (of Operation Clean Sweep) will ferret out all the violations of law and prosecute the guilty," Mr. Greene said. "But I think it's unfair of The Times to indicate the whole service is that way."

He added: "I know who your sources are and they're very vindictive people."

"I'm frustrated myself, but I'm working to straighten some of these things out. I know we have some black apples, and I hope they get them so we can wind this thing up and bring back the basic integrity the service has known."

The sale of counterfeit, altered and stolen American entry documents is rampant on the Mexican border, and scores of immigration officers are involved, the sources said.

Mexican nationals, operating under cover for Operation Clean Sweep, have purchased entry documents that came from immigration officers in El Paso and Laredo, Texas, and Calexico and San Ysidro, Calif., sources close to the investigation said.

Members of the Border Patrol, an enforcement arm of the Immigration and Naturalization Service, operate their own work programs, supplying illegal Mexican labor to big ranchers in return for hunting privileges, cash payments, and other benefits, federal agents said.

Federal officials insist that most of the immigration inspectors and border patrolmen are not corrupt. One investigator said that less than 5 percent were dishonest. But he added that the corruption involved "superior officers."

Difficult Job
One federal inspector said of the immigration officers' job, "It's an impossible task." "Every year there's a tremendous jump in the number of illegal aliens, while those (immigration inspectors and border patrolmen) haven't had a significant increase in manpower or money in 10 years."

"It makes it a hell of a lot

easier to understand why some of those people standing out there in the sun all day handling all that human traffic eventually decided that honesty was no longer a qualification for the immigration service."

Much information has come to Operation Clean Sweep from officers in the Immigration Service who want to purge their ranks of people they regard as corrupt.

The Southwest region is the service's largest, both geographically and in terms of immigrant activity. Forty-four percent of the service's entire budget is allocated to this region, which includes California, Texas, Arizona, Colorado, Nevada, Utah, Wyoming, Oklahoma and Hawaii.

The region, which has its headquarters in San Pedro, Calif., also has jurisdiction over U.S. immigration operations in Mexico and Asia.

In 1964, the "bracero" program, a system allowing American farmers and ranchers to legally contract for Mexican field hands, was shut down by Congress. The annual increase in the number of illegal entries from Mexico has been much more substantial since that time.

In 1964, there were 1,790 immigration personnel on the Mexican border. Today there are 2,185 to handle a more than 1,500 percent increase in illegal alien traffic and a nearly 30 percent increase in legal traffic. In 1964 they had \$17.8 million to spend. Today the figure is \$38.1 million.

Those in the Immigration and Naturalization Service are nearly unanimous in their conviction that a critical part of any overall solution to the illegal Mexican alien problem must be the removal of the primary incentive for coming north—employment. The service has long pushed for federal legislation that would invoke criminal sanctions against Americans who knowingly hire illegal aliens.

Earlier this month, the House of Representatives overrode a veto by passed such a bill. The measure now goes to the Senate, where a similar bill died last September. It provides for fines of up to \$1,000 and/or a year in prison for employers.

Last week, Miles J. Ambrose, the top federal narcotics law enforcement officer, said in a telephone interview, "My resignation is before the President."

He declined to give the reason for the resignation, saying it was explained in his letter to the President.

Mr. Ambrose asked that the information not be made public because "it has nothing to do with Watergate" but he feared that it might be tied to Watergate in the public mind. He said he also feared the information might jeopardize creation of the proposed Drug Enforcement Administration, which would consolidate all federal narcotics efforts.

Mr. Ambrose was widely believed to have been selected by President Nixon to head the new agency. He now says that he will direct only the transitional period, and will leave within 60 days of creation of the new agency.

Soviet Writer, After 3 Years In Jail, May Be Re-Sentenced

By Robert G. Kaiser

MOSCOW, May 27 (UPI). Soviet authorities are holding dissident writer Andrei Amalrik beyond the end of his three-year prison term because of a new investigation into his affairs which could lead to a further sentence, friends of the author reported yesterday.

The new charges fall under article 180 of the Russian legal code, which outlaws "the spreading of deliberate fabrications that defame the Soviet state and public order." That is the statute under which Mr. Amalrik was convicted in 1970, the sources said.

Mr. Amalrik, 55, author of "Will the Soviet Union Survive Until 1984," and other books, was to have been released early last week. He even had informed his wife that he soon would be home, friends said. Prospects of an early return home now appear slim, since Soviet authorities seldom begin an investigation of this kind without its ending in a trial and conviction.

The author of the Amalrik case is one of several recentists that the Soviet Union's policy of détente and friendship with the West is being accompanied by an increasingly strict internal discipline.

Many nonconformist intellectuals have put high hopes on the possibility that détente and domestic relaxation might spread at the same time, but recent events have discouraged them. Some believe that only foreign pressures can bring any relaxation here; others doubt that anything can cause a change.

Among recent indications of a further crackdown against active nonconformists are these:

- Word that the political police's investigation of the Journal Chronicle of Current Events and other dissident activities will continue beyond the trials of principal suspects in the case arrested so far.
- A continuing series of trials against dissidents in the Ukraine, many of them meeting out the maximum punishments allowed under the law.

● An apparent intensification of jamming of foreign radio broadcasts, including stations broadcasting in English.

● A series of police actions against prominent Jews who have sought permission to emigrate to Israel, including an arrest, searches and rejections of applications for exit visas.

Apparently the sternest action was that of Evgeny Lezhnev, 25, an astrophysicist and the son of Benjamin Lezhnev, a member of the Soviet Academy of Sciences and the most prominent Jew ever to apply to emigrate to Israel. Young Lezhnev was arrested and drafted into the army. His parents recently have changed that he has been sent to the Arctic region under extremely difficult conditions, despite an illness that may be cancer.

Wally Findlay
Galleries International
New York • Chicago • Paris • London • Los Angeles
2, av. Maignan - Paris 8^e

exhibition
GUSTAVO NOVOA
may 11 - June 5

exhibition
PISSARRO 1884-1972
special showing
NESSI - CAMOIN
exclusive representative
of 30 contemporary artists
featuring
SIMBARI - SEBIRE - MAIK - LE PHO
impressionists, post-impressionists
Tél. 225.70.74
Lundi-samedi 10-19 h

TRANSLATIONS
French, English, German, Spanish, Italian, Dutch, Danish, Swedish, Polish, Czech, Slovak, Hungarian, Greek, Arabic, Hebrew, Chinese
44 r. N.-D.-des-Victoires
Paris-2^e - CEN. 13-03
Agents wanted everywhere

SUMMER IN MONTE-CARLO

JUNE

- 2 WORLD BOXING CHAMPIONSHIPS MONZON - GRIFFIN
- 3 1st MONACO GRAND PRIX
- 14-24 1st INTERNATIONAL MONTE-CARLO BRIDGE TOURNAMENT
- 25 SUMMER SPORTING CLUB OPENING GALA

JULY

- INTERNATIONAL ARTS FESTIVAL
- 7-10 OPERA: "LA REINE MORTUE" WORLD CREATION
- 14-15 COMEDY: THE MARAIS FESTIVAL TROUP
- 18-22-25-29 PALACE COURT OF HONOUR CONCERTS
- 17-21-24 INTERNATIONAL FIREWORK FESTIVAL
- every Friday SUMMER SPORTING CLUB GALAS

AUGUST

- 3 GALA OF THE MONTECARLO RED CROSS INTERNATIONAL ARTS FESTIVAL
- 5-8-12 PALACE COURT OF HONOUR CONCERTS
- 14 EVENING WITH DANNY KAYE
- 21-22 MARSEILLE BALLET ROLAND PETIT
- 7-11 INTERNATIONAL FIREWORK FESTIVAL
- every Friday SUMMER SPORTING CLUB GALAS

The list of information, please consult:
The Tourist and Convention Office, 2a, 4a, 6a, 8a, 10a, 12a, 14a, 16a, 18a, 20a, 22a, 24a, 26a, 28a, 30a, 32a, 34a, 36a, 38a, 40a, 42a, 44a, 46a, 48a, 50a, 52a, 54a, 56a, 58a, 60a, 62a, 64a, 66a, 68a, 70a, 72a, 74a, 76a, 78a, 80a, 82a, 84a, 86a, 88a, 90a, 92a, 94a, 96a, 98a, 100a

N.Y. Youths Get \$10,000 in Goods In Store Raid

NEW YORK, May 27 (AP).—A gang of about 30 teenagers invaded Bloomingdale's, the big Manhattan department store Friday, bowled over a security guard and stole more than \$10,000 worth of leather and suede clothes. All but two escaped with their loot.

Police said a group ranging from age from 14 to 17 decided that it would be fun to go "shopping" at Bloomingdale's. They took a subway from Brooklyn to the Manhattan store.

The youths carried large plastic bags to hold their loot and their mid-afternoon foray lasted only a few minutes.

Two youths were seized as they fled the store. A total of \$4,000 in stolen merchandise was recovered.

3d Death in Milan Blast

MILAN, May 27 (UPI).—A third person wounded in a hand-grenade attack on the Milan police headquarters died today in a hospital 10 days after the bombing. The victim was Federico Masarini, a public security officer.

The People's Revolutionary Army, a non-Communist Trotskyite group, is the most active guerrilla in the country, issued a statement to the press vowing to continue attacks against the armed forces and businesses. The group criticized the political record of Mr. Campora and called on him to "arm the people" and maintain his distance from the armed forces.

The guerrillas said they would not attack the new government but vowed to avenge the killings by police of the two teen-agers outside Villa Devoto Prison.

Military leadership changed hands yesterday with the installation of three new commanders to replace junta members who retired from active duty with the change of government. The key post went to Gen. Jorge Raúl Ceagado, who replaced Gen. Alejandro Lanusse as the army commander.

FRED
6 rue Royale - Paris 8^e
"La Boutique FRED"
84 Champs-Élysées
Duty free shop - Orly Airport

presents the Rolex Oyster collection.

ROLEX
of Geneva

Each Rolex earns the recognition it enjoys.

* * *

Instead of being reassured, President Nixon turned to the FBI and agreed to the opening of FBI offices in twenty foreign countries, duplicating the CIA's work but still finding no evidence. Not satisfied, the President approved a far-reaching plan in 1970 to mount a campaign of spying, wiretapping and burglaries against domestic radicals.

When J. Edgar Hoover of the FBI refused to carry out the plan unless he received the President's written authorization, Mr. Nixon rescinded the plan. He next turned to a "special investigative unit" set up in the White House without public knowledge but

Free men and women find true security in the justice of their laws, in the subordination of police power to an independent judiciary, in the honesty and candor of their elected and appointed public servants, and finally in the freely offered devotion of each citizen to the republic. Total security is the fantasy of a child. Free nations live by the vigorous self-confidence of men and women who understand their own interests and ideals and are prepared to defend them. There is no other security.

Despite strenuous preparations, the European community's Council of Ministers was unable to reach significant agreement last week on how the oil-consuming nations could start collaborating, even on limited segments of the problem. Instead of continuing their potentially destructive competition for oil supplies, France went to the length of insisting that the nine member states should establish their own common commercial policies for oil imports and allocations before even opening discussions with the United States and Japan, a diplomatic tactic which the British representatives labeled "inconceivable."

It is a dismal augury for the broad Atlantic

Just talking over energy problems will not solve them, but at least it would be more helpful than just talking about talking.

THE NEW YORK TIMES.

Mr. Campora will not be able to draw indefinitely on the emotional legacy of Gen. Peron and his late wife Evita, who became the object of almost religious adoration. Ad-

British Scandals

Prime Minister Heath handled last week's sex scandals with firmness, despatch and business-like efficiency, which is how such things should be handled. The two ministers had behaved foolishly and obviously had to go. This they have done, with dignity. The manner of their going, at least, was exemplary.

—From the *Sunday Telegraph* (London)

Prime Minister Heath handled last week's sex scandals with firmness, despatch and business-like efficiency, which is how such things should be handled. The two ministers had behaved foolishly and obviously had to go. This they have done, with dignity. The manner of their going, at least, was exemplary.

—From the Sunday Telegraph (London)

May 28, 1898

NEW YORK—A very important leak from Washington states that at a White House conference yesterday, it was decided that an overwhelming attack on Havana should begin at once. Owing to the growing unhealthiness of the Cuban climate, the blow must be quick and crushing. To this end, the decision to invade will be hastened even more. No fewer than 75,000 men will compose the expedition which will be landed near Havana as soon as possible.

May 23, 1923

PARIS—Isadora Duncan drew the Paris public in crowds to the huge theatre of the Trocadero last night when she made a reappearance before the European public for the first time since her ill-fated American trip. The audience, which well filled the auditorium, applauded her many steps, after she had held the attention of the great house, fixed on her dramatizations of the mood of the composer's music, be it Tchaikovsky or Scriabin, before naked, certain.

proposition straight.

American Proposition.

It is the old, plain but startling American Proposition, not of man as a consumer to be manipulated by hucksters, or of man as the beneficiary of the bounty of this fertile and beautiful country, but of man as Jefferson, Franklin, Lincoln, and John Marshall of Vaucluse County here have seen him in a society capable of self-government.

The American Dream, as Archibald MacLeish defined it, is really

Even if we could get the principal issue exposed and debated, it would help, but after all the trickery of these political twisters, we are still getting devious and deceitful evasions from the President. First, he told us he knew nothing about the Watergate. Then his second statement, he suggested he had been deceived by his staff. Now in his third, he tells us he did know a great deal about what was going on, but concealed it for "national security" reasons, and then he appealed for limiting the inquiry in case it disclosed "national security secrets."

Quick indictments in the courts will only impede this process by cutting off the supply of public information. Even impeachment proceedings will only divert attention from principles to personalities. If our information is correct, only a small part of this conspiracy has been exposed so far, and the rest should not be concealed by conflicts between the prosecutors and the senators, or by tardy appeals to defend Mr. Nixon's peculiar notions of "secrecy" or his narrow and personal views on what is the "national interest."

However, the tense relationship began to ease after President Pompidou succeeded De Gaulle in the Elysee Palace and finally after Michel Debré, an ardent Gaullist advocate of a "national" French nuclear policy, was dropped from the French cabinet.

Editor
Murray M. Weiss
Ex. Assoc. Editor

International Business Terms S.A. au
10, rue de la République, 75001 Paris
Tél. 22-55-42-43, 22-55-42-44, 22-55-42-45
Le Directeur de la publication :

Managing Editor
George W. Bates
Managing Editor.

ment. Their crime—I call it treason—would have been dealt with rather harshly under most other

It is sad to read that anyone, even William F. Buckley Jr., can still describe Watergate as an "irregularity" (HRT, May 18). Can anyone forget that the persons who committed the irregularity

R. It is sad to read that anyone, even William F. Buckley Jr., can still describe Watergate as an "irregularity" (NYT, May 18). Can anyone forget that the persons who committed the irregularity were convicted and sentenced?

JAMES LIBRARY

However, the tense relationship began to ease after President Pompidou succeeded De Gaulle in the Elysee Palace and finally after Michel Debré, an ardent Gaullist advocate of a "national" French nuclear policy, was dropped from the French cabinet.

International Herald Tribune S.A. au capital de 13.200.000 F.
R.C. Paris 125422333 - 27 Rue de Valenciennes, 75002-Paris Cedex 02.
Tél.: 222.42.24. Telex: 25.558 Herald. Paris. Cable: Herald, Paris.
Le Directeur de la publication: Walter N. Thayer.

کتابخانه، انجمن

Internal Security Loss Seen

Hoover Ban in 1966 Cut Down FBI Bugs

By Sanford J. Ungar

WASHINGTON (UPI).—The undercover FBI operations suspended by J. Edgar Hoover in 1966 included "special programs" involving wiretapping, hidden microphones and mail drops, a ranking Justice Department official said last week.

The "programs," which the official said had been in effect for years under both Democratic and Republican presidents, had long been considered an essential part of the FBI's work in national security and counter-intelligence cases.

He contended that they were especially useful in efforts to identify illegal aliens suspected of involvement in espionage against the United States, but explained that they were used also to forecast "racial riots" in the cities and "uprisings" on college campuses.

Confirming parts of President Nixon's statement Tuesday on the Watergate affair and "national security operations," the official said that Mr. Hoover suddenly withdrew authority for the activities in 1966 without giving any explanation.

Security

As a result, he insisted, "J. Edgar wiped us out, in the internal security field." Within a short period of time, he added, the FBI lost some in-

formants who felt they were not getting enough support from the bureau and "it became very difficult for us to cope with espionage."

FBI sources, as well as the Justice Department official, confirmed that the special program of "specific options for expanded intelligence operations" referred to by Mr. Nixon on Tuesday— which was drafted in 1970 but abandoned at the last moment because of Mr. Hoover's objections—would have reinstated the suspended activities with only "slight variations."

But the official added that L. Patrick Gray 3d, acting on his own, resumed some of the "special programs" during his tenure as acting FBI director from shortly after Mr. Hoover's death in May, 1972, until about a month ago.

'Some Increases'

Specifically, he said, Mr. Gray authorized "some increases" in FBI wiretapping.

It was not possible to determine, however, what policy has been adopted by William Ruckelshaus, who was named acting FBI director after Mr. Gray resigned. Mr. Hoover's reported restrictions on what the FBI could do are part of a long-standing debate within the bureau over the man who was its director and embodied its image for a half-century.



J. Edgar Hoover: "Everyone afraid of him."

Although Mr. Hoover frequently has been attacked by civil libertarians for the extent to which he plunged the FBI into domestic political surveillance, a substantial number of persons—present and former bureau employees—believed just this opposite: that Mr. Hoover, in an apparent effort to protect his image, began to change operations in the late 1960s.

Some long-time FBI officials were shocked to find Mr. Nixon, a Hoover supporter from his earliest days as a congressman in the late 1940s, coming down Tuesday on the side of Mr. Hoover's critics.

Discussing the "special programs" suspended by Mr. Hoover in 1966 and almost resumed in 1970, the Justice Department official interviewed last week said that he included "planting microphones" and "getting things

from inside places" that were under surveillance, as well as the use of covert mail drops. Mr. Nixon's Tuesday statement made reference to "authorization for surreptitious entry—breaking and entering, in effect—on specified categories of targets in specified situations related to national security" as part of the 1970 plan vetoed by Mr. Hoover.

The Justice Department official said it was especially perplexing that Mr. Hoover's 1966 actions inhibited the pursuit of illegal aliens suspected of espionage. "They don't have any rights of any kind," he said. "They are in this country illegally."

As for Mr. Hoover's single-handed ability to prevent the White House from launching its 1970 plan, the Justice Department official said, "I don't need to tell you what he had. Everyone was afraid of him."

McCord Now Breathes Easier

Getting the Watergate Off His Shoulders

By Robert L. Jackson

WASHINGTON.—"Dad, when are you going to tell the truth?" the oldest children of Jim McCord asked their father, time and again, last summer and fall.

It was an agonizing question for McCord, a devoted family man.

"I'm going to tell the truth at the propitious time," he replied. Recounting the story recently to a visitor at his home, McCord seemed relieved that the truth of Watergate is finally emerging. He is a man at peace with himself.

For James W. McCord Jr., the man whose dramatic courtroom letter ripped open the scandal, the Watergate break-in was no adventure. It was a serious operation authorized by the highest officials of government, or so he believed.

McCord's career has been one of federal service. He spent 19 years in the CIA and four as an FBI agent. He is a retired Air Force colonel with a son, Mike, 21, attending the Air Force Academy.

In recent weeks, McCord, 49, has told of his Watergate involvement—and implicated others—in closed-door sessions with Senate investigators and a federal grand jury.

McCord's letter to Judge John J. Sirica, which Judge Sirica read in open court March 23, charged that political pressure was exerted on the seven defendants to plead guilty in the break-in at Democratic party offices in the Watergate building, that administration officials had prior knowledge of the bugging and that perjury was committed at the trial.

The letter led Judge Sirica to postpone McCord's sentencing, pending his further testimony to the grand jury and the Senate. From there the Watergate case broke wide open.

At home in his family room



James W. McCord.

with a fire in the heart, McCord spoke softly but intensely about the reasons for his actions.

He continued to receive cash payments after his arrest, he said, because he felt like "a prisoner of war," a captive whose government—or in this case, administration—was standing behind him.

But as his January trial approached, he saw the payments, as an effort to insure his silence, and he said he stopped receiving them. He was also outraged, he said, when proposals were advanced to blame the CIA, an agency he reveres, for this domestic bugging episode. He refused to go along with "a phony defense."

"When this play failed, I was under pressure to plead guilty," McCord said, "but I wasn't going to turn on the other defendants and be responsible for putting them behind bars."

"If I pleaded guilty, there was no hope. I said, 'I'll take my chances with a trial and hope for a fair trial.' I wanted to avail myself of the same rights as other citizens."

McCord said he told his attor-

ney, Gerald Aich, he would be glad to take the witness stand. But Mr. Aich, McCord said, decided his "defense posture" would be better, and his rights of appeal better protected, if he did not testify.

"But the trial turned out to be a mock trial situation where critical testimony was perjured," McCord said.

"It wasn't the fault of Judge Sirica. He did everything he could to get at the truth. 'Liddy' [G. Gordon Liddy] was made out to be the whole show. I felt men were being sacrificed. I felt a sense of injustice about the whole business."

"My conception of justice was that everybody ought to be on trial or nobody should be on trial."

McCord said.

Worried for Daughter

McCord's five weeks in the antiquated District of Columbia jail after his conviction were hellish, he said. He was particularly concerned about his younger daughter, Nancy, 17, who attends special education classes.

Father and daughter are particularly close. McCord drives her to school most mornings and spends Sunday afternoons with her at a park. The McCords also have an older daughter, Carol Anne, 19.

As a well-known prisoner, McCord spent hours in the jailyard listening to the problems of other inmates and occasionally helping them draft legal writs. He also thought about his own case.

Of his letter to Judge Sirica, which he composed "from after he was released on bail, McCord says:

"I wrote it alone, without even telling my attorney." The two-page letter led to his additional revelations before the Watergate grand jury and the Senate.

The letter, typed by McCord, contains many typing errors, each

of them carefully initialed in the margin by McCord.

An intelligence agent and later a bombardier during World War II, McCord was an FBI agent in San Diego and San Francisco from 1948 to 1961. He then joined the CIA, where his specialty was protecting U.S. embassies overseas from being bugged by other countries.

He retired as the agency's chief of physical security in 1970 with a distinguished service award "for outstanding performance," and became a private consultant.

Likes Documents

Consistent with his career as a security specialist, both at the CIA and then at President Nixon's campaign committee, McCord evinces great respect for documents.

He has given the Senate's Watergate committee many memoranda of his recollections, and he frequently referred to notes during his nationally televised testimony.

Even as a hobby, McCord deals with documents. He and his wife, Ruth, enjoy genealogy research. They dig through files at the National Archives to trace family histories.

Despite the pressures of the past year, including fears for his life expressed by family and friends, McCord remains hopeful he can one day resume his daily trade, a security consulting business he founded on retiring from government. He faces sentencing by Judge Sirica on June 15.

Remarkable on his career, which included counter-espionage work during World War II, a friend recently suggested:

"Well, Jim, you've been involved in a lot of dangerous operations." McCord turned to his wife with a wry smile.

"Or damn foolish ones," he said.

© Los Angeles Times.

Brain Waves and Learning Disorders

By Marlene Cimons

WASHINGTON.—It is a box, about 12 inches high, 8 inches wide and 24 inches deep. There is a screen in the middle and the whole thing is connected to a headband and a series of electrodes. A child is seated and the electrodes are attached to his head. While he watches a flashing light, an amplifier magnifies his brain waves onto the screen.

It is a painless test which takes about five minutes and the results, his inventor believes, can revolutionize the detection of learning disorders.

Dr. John Erti, former director of the Center for Cybernetics Study at the University of Ottawa, calls his machine a neural efficiency analyzer.

He explained the machine's two basic functions:

"It measures the rate of speed with which the brain processes information, or responds to a stimulus, and it measures the synchronization between the two halves of the brain. In normal people—those without brain damage or learning disorders—the left side of the brain is well synchronized with the right side of the brain."

"We have found that in children suffering from a variety of learning disabilities, a substantial number of them have a disturbance in the communication between the left and right sides of the brain. The analyzer can detect the difference between both sides—and if it is greater than a certain value, we can be pretty sure that there is something wrong."

Other Factors

The results, however, can be distorted if the subject thinks, is excessively tense, unusually relaxed, on drugs or alcohol in large quantities, or has a severe thyroid condition. But, according to Dr. Erti, these conditions have an effect on the machine which is noticeable to the skilled operator.

"We can see that it is not a normal brain wave, and we can either remove the condition or choose not to administer the test."

The machine is not designed to measure intelligence or IQ, Dr. Erti said, nor is it meant to serve as a substitute for either type of test.

"I would like to see it used in the same sense as a medical doctor testing one of his patients for heart efficiency," he said. "It is for the early detection of learning disorders. It won't cure anything, but it will help spot the problems on a large scale."

Although Dr. Erti's machine has been in existence for more than a decade, it has not yet caught on. Dr. Erti is convinced that it works but admits that he is unable to provide unequivocal data at this time to prove his theories.

"I have tested about 5,000 or 6,000 children, but not in terms of a prediction of what will happen

to them," he said. "Someone usually comes to me and says, 'I think this child has learning disabilities.' So I've tested the child and found great differences between the sides of the child's brain. I've done it over and over again, and have gotten the same results."

Device Criticized

A 1968 study, however, conducted by the Education Record Bureau on more than 1,000 school children in Mount Vernon, N.Y., was critical of the Erti machine.

The study, funded by the Ford Foundation, attempted to find a correlation between the machine results and scores on the pupils' achievement or additional mental ability tests, similar to standard IQ tests. Dr. Frederick B. Davis, education professor at the University of Pennsylvania, ran the study.

"We found that Erti's technique showed no promise in either estimating the mental ability scores of the pupils or estimating their current or future performance in school," Mr. Davis said. "We did not, however, try to determine whether or not it could predict learning disorders. We were not looking for that. I can't help the way the study came out. We thought it would come out the other way, but it didn't."

Dr. Erti said the Davis study did not employ any of the principles now being used with the machine.

"It was an incompetent data collection," Dr. Erti said. "The equipment and the people involved simply did not collect reliable data. They did not use the machine correctly. I simply do not know what went wrong—but I am convinced that they did do something wrong."

Dr. Erti's machine is being used in the experimental programs, he said, Parsons College, in Fairfield, Iowa, has one, and the Washington County, Maryland, school system is using another. The machines are leased for about \$200 a month and can be purchased for \$6,500 to \$7,000.

Enthusiastic Tester

Dr. David M. Miles, supervisor of testing in the Washington County schools, is enthusiastic about the machine's possibilities.

"It could make a real difference in education," Dr. Miles said. "If the machine's results are accepted, we can go to a group of children who are not learning by the present methods. If we can positively identify them as having learning disorders—or not having learning disorders—we would know to look for other ways of approaching teaching."

"The biggest factor in learning is expectancy," Dr. Miles continued. "The expectancy of the teacher, parents, brothers and sisters. Often, what they expect is how the child performs. If a child has difficulty, and the

teacher decides the child can't make it in school, she may begin to treat him accordingly. Then the child begins to believe it. With this machine, we can spot it one way or the other—and know for sure."

His school system has tested about 75 children thus far in two schools. The results have not yet been evaluated.

"This is a trial," Dr. Miles said. "The results are nothing more than highly tentative at this time. We're not sure yet. It appears that a large percentage of children who have been identified by the machine. I think we come to some reasonably firm conclusions within a year."

© Los Angeles Times.

Thousands Flee

Drought Toll Rising In Region of Sahara

By Thomas A. Johnson

KANO, Nigeria (UPI).—The animals die first—the cattle, sheep, goats and camels—and then the people. First the old and then the children, the sickly. It was then we left. It was then we moved south for food and for water.

Abdull Traore recalled his recent move from the village of Gowa in Mali to the outskirts of this northern Nigerian city while he sat with his young son and daughter and his aged parents on the shaded porch of a half-built house. His wife went now and then into the brutal, noonday sun to tend cooking pots of sorghum. They had nothing else to eat.

"There is nothing left in the north," Mr. Traore said. "Everything is dead—there is only death in the north. The Traore family, prosperous camel raisers in Mali, are among untold thousands of people fleeing the Sahel, the southern reaches of the Sahara, where the fifth year of a drought and famine has reportedly killed millions of animals and, it is feared, thousands of people.

Statistics are unavailable in this, one of Africa's harshest and most inaccessible areas.

The dwellers of the Sahel region—an estimated 25 million people—normally subsist on their domestic animals and a much of a sorghum and millet crop as they can coax from the stubborn soil during brief summer rains that used to bring from 4 to 12 inches of rainfall a year.

Hardest hit by the drought is the belt of nations stretching from Mauritania to Chad and including Senegal, Mali, Upper Volta and Niger. Most of the refugees moving southward are Arabs and black Africans from these nations.

When will you go home from here? Mr. Traore was asked.

People Are Kind

"I don't know," he said. "The people are kind here. There is food here and there is water. We will try to find work and pray to Allah that we might return home when things are better."

Mohammed Ahmed and his two sons, Abdul and Unis, were part of four families of squatters in a vacant house further outside Kano. The families moved south from the village of Agades more than a month ago. Ahmed had been a tax collector in the village.

Discussing his new life as a refugee, Mr. Ahmed said, "Sometimes we can earn a little money carrying water or guarding homes. But mostly it is people being kind to us, because they could carry their own water and guard their own homes."

In much of northern Nigeria, as well as Ghana, the Ivory Coast, Togo and Dahomey, the new refugees are becoming a new breed of class.

Although West Africans pride themselves on their hospitality, some clashes have been reported between residents of the coastal nations and the newcomers. Some of the more serious were reported from the northern parts of the Ivory Coast where the refugees and their thirsty herds of cattle have fought with local farmers and herdsmen over the use of watering places.

Food is being sent into the affected areas by the United Nations—which is sending \$15 million worth of grain—and a number of foreign countries.

But the slowness of port facilities and rail and road transport has hampered the relief operations. So have poor communications.

Agricultural experts from the United Nations have noted that, while this region has historically experienced drought and famine, certain modern-day practices might have contributed to the severity of the current crisis. Some speculate that the attempt to grow dryland crops in these south Sahel soils, plus overgrazing by improved breeds of cattle, goats, sheep and camels, might have destroyed the region's natural balance.

Total Eclipse on June 30

Sun's Corona on View From 'Darkest Africa'

By Walter Sullivan

NEW YORK (UPI).—An estimated 5,000 amateur astronomers and tourists, and 2,500 scientists are expected to converge on Africa in June for one of the three longest total eclipses of the sun in a period of 1,000 years. It will occur on June 30 and will last a maximum of 7 minutes 8 seconds.

Some visitors will be housed in relative comfort aboard ocean liners and other craft off the coast of Mauritania. Others will be camped on the arid shores of Lake Rudolf, in Kenya, where drinking water reportedly comes from 50 miles away and costs \$5 a gallon.

By far the most prolonged observation in history of an eclipse, making possible for the first time the extended recording of changes in the dynamic halo, or corona, around the sun, will be made from a Concorde supersonic transport that will chase the swiftly moving lunar shadow across Africa. This plane is expected to be in the shadow for about 80 minutes.

The corona can be seen in its full splendor only when the brilliant disk of the sun is eclipsed by the moon. While plates which can be inserted into the optical system of a telescope also can eclipse the sun, so much sunlight is scattered into the telescope by the atmosphere that only the innermost part of the corona is detectable.

Since the corona manifests an outpouring of solar gas that has important effects on earth, a total eclipse of the sun is an occasion for intense coronal observations of many sorts.

Solar Gas

Such an eclipse took place Jan. 4, and another will occur Dec. 26. In an annular eclipse the sun is still too bright viewing much of the corona. A total eclipse of the sun, international event. Expected from many nations are to converge on various sites along shadow path across Africa— the west and Kenya and the mail Republic in the east.

The reason is that the ability to see the sun makes for transport. One group from the Astronomical Observatory, for example, has five tons of equipment to ship.

Italy Sees Ray of Hope in Inflationary Climate

By Paul Hofmann

ROME (UPI).—The wife of a Roman doctor who went to a downtown shop recently to have her milk stored for the summer was kept waiting for nearly two hours because all hands were busy with customers eager to buy expensive fur coats as an inflation hedge.

A local reporter who wanted to find out whether a tourist could still live in Rome on \$5 a day said that he barely kept within that limit by sleeping in a youth hostel, drinking water from the public fountain, eating the cheapest lunch he could find—at \$2.30—walking a lot, staying away from museums and other attractions where there was a fee, and writing not a single postcard.

A five-room co-op apartment in a good neighborhood that last year could not be sold for \$75,000 has just been purchased at \$90,000, and the buyer nonchalantly signed a stack of promissory notes for the monthly installments.

Advice to Wives

The press is full of advice to housewives on how to best sort through food prices. Sampler: Forget weight-watching and eat more pasta, which is a much better value than meat, fish, rice, vegetables, fruit or almost anything else.

In prosperous Milan, people are converting their savings accounts into paintings, antiques, gold coins, rare stamps, high-class wines and large lots of smuggled Scotch whisky.

Bank accounts maintained by rich Italians in Switzerland, Liechtenstein and Luxembourg are said to be getting fatter every day. The governor of the Bank of Italy, Guido Carli, observed the other day that "there are a thousand ways of illegally transferring funds abroad."

In the inflationary climate, there is a ray of hope. Italy may be jolted out of the long economic stagnation that started in the autumn of 1969—the deepest and longest slump since World War II.

Exports Growing

Government spokesmen and many economists see signs of an increase in production. Exports are growing as the lira continues to be devalued—more than 10 percent since mid-February.

Inflation here appears to be picking up. Prices rose by 8.1 percent between January, 1973, and January, 1973, and the cost-of-living may increase 12 to 15 percent this year. "An almost Latin American inflation pattern," said L'Espresso of Milan, a weekly magazine.

But some top officials privately point to the example of one Latin American economy, Brazil's, as

evidence that seemingly runaway inflation can be curbed, and that a certain measure of inflation is compatible with vigorous growth.

Critics from the left wing, however, charge that the government has been treating a sick economy with the "drug" of inflation to give an illusory feeling of health and buoyancy. Conservative economists and Common Market experts are urging Italy to adopt an anti-inflation strategy.

According to all data, Italy is in the vanguard of European inflationary pressures and lacks the machinery—and apparently the determination—to curb wages and prices.

Russia Now a Party To Copyright Accord

MOSCOW, May 27 (UPI).—After nearly 18 years, the Soviet Union today officially became a party to the Universal Copyright Convention.

Critics said the move was an evident attempt to curb the unauthorized outflow of dissident literature. Soviet spokesmen explained that the decision was in keeping with the current trend toward international relaxation of tensions. "The government's intention to join the convention," signed in Geneva in 1952 and which became effective in 1955, was announced Feb. 27.

Yet for the first time since the fall of Fascism, organized labor is suddenly speaking about "self-regulation" by unions to avoid strikes that would further push up production costs.

This is the more significant as Italy lacks any legislation regulating strikes, and there is no prospect that any law limiting the right to strike can be enacted in the near future.

For several years, Italy has been losing a more man-hours through walkouts than any other nation in the world. This hints that the unions might restrain strike-prone workers has created mild euphoria among managers.

The nation's unions are watching the accelerating inflation wistfully—the Communist-led unions even more so than the non-Communist. In a series of hard struggles, they have won huge raises during the last several months, contributing to inflation, but they are now clearly afraid that the ballooning prices may annul the workers' gains.

An Italian-American financier remarked that "the inflation fever and the sudden hope for better labor-management relations have at least shaken this country out of the doldrums of the last few years."

"Now is the time to play one's cards right," he said. "There might even be another Italian miracle in the making."

Handwritten signature or mark.

NEWSLETTER ON THE SPANISH ECONOMY

Spain's Export Boom Roars Ahead

Spain's long boom in exports, particularly in industrial products, is showing every sign of continuing its impressive growth. Figures for the first quarter of this year issued in Madrid by the Ministry of Commerce show that the country's export boom is far from over. The figures show that exports of industrial goods rose by 18 percent in the first quarter of this year compared with the same period last year. The total export boom of close to four billion dollars as they are, these will not match the growth achieved last year when exports leapt by nearly 20 percent. But as trade officials in Madrid say, "We have become too accustomed to increases of around 20 percent. This year's increase will be lower, but it will be healthy nevertheless."

Earlier this quarter the Banco de Vizcaya stated: "The outlook for 1973 in the production field is excellent and it is expected to reach a 7 percent increase in GNP, which is the 'average' figure envisaged under the Third Development Plan. Along with the heavy investments made in 1972, the advantages of which will be felt during this year, there are also high hopes of a favorable climate in European countries and in the United States, which is bound to have a positive effect on development in Spain. On the other hand, the high level of Spain's foreign currency reserves will ensure that the country's foreign trade can develop successfully and the stimulus of demand will improve the already excellent position in order books. The only thing which will mark an otherwise smooth development of the economy in Spain are price levels. There do not appear to be any obstacles, either of a domestic or foreign nature to impede a favorable evolution of Spain's economy in 1973, at least during the first half of the year."

In its very latest reports of just a few weeks ago, the industrial bank had these further comments on the overall economic situation: "According to press reports, mention was made in discussions on the OECD report on Spain's economic situation of the differences in the existing obstacles for trade in this category of products were relatively unimportant given the competitiveness of Spanish products. The biggest market gain has been recorded in North America thanks to the very strong rise of exports of footwear. Indeed some 20 percent of the increase in OECD footwear sales to this market between 1964 and 1971 were Spanish products. This performance was the more significant, as Spanish products accounted for a relatively important part (14 percent in 1971) of the American market."

The export performance in the Common Market has not been very different from that in the American market. When total exports are considered, market gains in the EEC are, of course, much smaller but still considerable. Indeed, Spanish exports have for the average of 1964-1971 performed better than any of the EEC countries.

Changes in demand pressures, both in the domestic economy and abroad, may have influenced the performance of industrial exports, in particular years, but apparently only very slightly. Thus, the small gains in 1967 may be partly explained by weak economic conditions in general in Spain's main export markets in 1968 and 1971 by the slack in the domestic economy built up then, probably helped in 1968 by the peseta devaluation.

On the contrary, even years of very strong demand pressures, like 1966 and 1969, have not produced a corresponding increase in the latter case the devaluation may have been partly responsible. The steady underlying improvement of export performance which emerges from the yearly evolution of market shares suggests the existence of a more fundamental cause—the supply of competitive conditions of products for which there is foreign demand. The investment that followed the opening of the economy in 1969 has created the necessary modern plant capacity, probably as productive if not more than similar plants employed in part, the same (Spanish) labor force abroad. (A bottleneck and labor unrest have been on the increase in Spain in recent years but at a much smaller scale and therefore with much smaller disruptive effects on production than in other European countries.)

This re-equipment effort is enabling the Spanish economy to make good lost ground in world markets in the two previous decades and to approach the market share that corresponds to her skilled labor force and her industrial infrastructure.

The competitive advantage was provided by a substantial difference between Spanish labor costs and those of other European countries. Country comparisons in this field should be made with extreme caution, but the orders of magnitude of the differences in hourly labor costs in industry are so high as to validate such an assertion. Domestic prices in Spain for a sample of industrial products were not correspondingly lower than in the countries with which the labor cost comparison is made. As other costs are probably not very different

is an internal boom, exports slow down considerably, but in 1972 we had a booming economy and booming exports, although industrial exports did dip slightly. Prospects for this year are good. We have had a balance-of-payments revolution in Spain and we think that the old balance-of-payments bottleneck has disappeared for three to five years to come.

Imports still outpace exports, but Spain's many forms of "invisible" earnings—tourism, record-breaking tourism to repatriated money from the millions of Spanish workers abroad—have led to the Central Bank accumulating reserves of close to 12 billion dollars.

With this sum in the background and with national growth again expected to reach 7 percent, there are no major fears for the Spanish economy. "The one dark cloud is that of prices. However, senior Diaz says: "Our growth of productivity is compensating for the growth of prices."

Earlier this quarter the Banco de Vizcaya stated: "The outlook for 1973 in the production field is excellent and it is expected to reach a 7 percent increase in GNP, which is the 'average' figure envisaged under the Third Development Plan. Along with the heavy investments made in 1972, the advantages of which will be felt during this year, there are also high hopes of a favorable climate in European countries and in the United States, which is bound to have a positive effect on development in Spain. On the other hand, the high level of Spain's foreign currency reserves will ensure that the country's foreign trade can develop successfully and the stimulus of demand will improve the already excellent position in order books. The only thing which will mark an otherwise smooth development of the economy in Spain are price levels. There do not appear to be any obstacles, either of a domestic or foreign nature to impede a favorable evolution of Spain's economy in 1973, at least during the first half of the year."

In its very latest reports of just a few weeks ago, the industrial bank had these further comments on the overall economic situation: "According to press reports, mention was made in discussions on the OECD report on Spain's economic situation of the differences in the existing obstacles for trade in this category of products were relatively unimportant given the competitiveness of Spanish products. The biggest market gain has been recorded in North America thanks to the very strong rise of exports of footwear. Indeed some 20 percent of the increase in OECD footwear sales to this market between 1964 and 1971 were Spanish products. This performance was the more significant, as Spanish products accounted for a relatively important part (14 percent in 1971) of the American market."

The export performance in the Common Market has not been very different from that in the American market. When total exports are considered, market gains in the EEC are, of course, much smaller but still considerable. Indeed, Spanish exports have for the average of 1964-1971 performed better than any of the EEC countries.

Changes in demand pressures, both in the domestic economy and abroad, may have influenced the performance of industrial exports, in particular years, but apparently only very slightly. Thus, the small gains in 1967 may be partly explained by weak economic conditions in general in Spain's main export markets in 1968 and 1971 by the slack in the domestic economy built up then, probably helped in 1968 by the peseta devaluation.

On the contrary, even years of very strong demand pressures, like 1966 and 1969, have not produced a corresponding increase in the latter case the devaluation may have been partly responsible. The steady underlying improvement of export performance which emerges from the yearly evolution of market shares suggests the existence of a more fundamental cause—the supply of competitive conditions of products for which there is foreign demand. The investment that followed the opening of the economy in 1969 has created the necessary modern plant capacity, probably as productive if not more than similar plants employed in part, the same (Spanish) labor force abroad. (A bottleneck and labor unrest have been on the increase in Spain in recent years but at a much smaller scale and therefore with much smaller disruptive effects on production than in other European countries.)

This re-equipment effort is enabling the Spanish economy to make good lost ground in world markets in the two previous decades and to approach the market share that corresponds to her skilled labor force and her industrial infrastructure.

The competitive advantage was provided by a substantial difference between Spanish labor costs and those of other European countries. Country comparisons in this field should be made with extreme caution, but the orders of magnitude of the differences in hourly labor costs in industry are so high as to validate such an assertion. Domestic prices in Spain for a sample of industrial products were not correspondingly lower than in the countries with which the labor cost comparison is made. As other costs are probably not very different

tion of the influence which the present level of protection in the country's economy could have on industrial and agricultural exports. The OECD report on Spain's economic situation, however, as a historical opportunity for the country to open its frontiers and become more integrated in the world economy. Spain's 1973 performance, combined with a look ahead at this year, strongly suggests that removal of barriers to imports as a move which would restore "healthier" balance-of-payments surplus and put a stop to the price rises which would stimulate the overall efficiency of the Spanish economy and assure the competitiveness of Spanish exports.

OECD states that the transformation of the Spanish balance of payments "gives the country the chance to take wide-ranging initiatives" and it compares the opportunities facing Spain with those "happily taken" in 1959 when the country began to open its economy to the outside and to integrate itself more closely into the world economy.

Spain is taking steps to lower tariffs. The main concern of the Commerce Ministry is to ensure that Spanish industry remains competitive, despite the handicap represented by non-membership of the EEC, Spain's main export market.

Spain has been seeking the re-negotiation of its 1970 prefer-

ential trade agreement with the then six-nation Community. Minister Cordina said last year: "The renegotiation of the agreement to adapt it to this new situation (the Community of Nine) is a primary objective of our commercial policy."

He added on that occasion: "With due precaution and after a period of transition, we believe that our economy is prepared to successfully meet the challenge of integration into Europe. . . . In the end, our best weapon for negotiation will be the capacity for development of our economy."

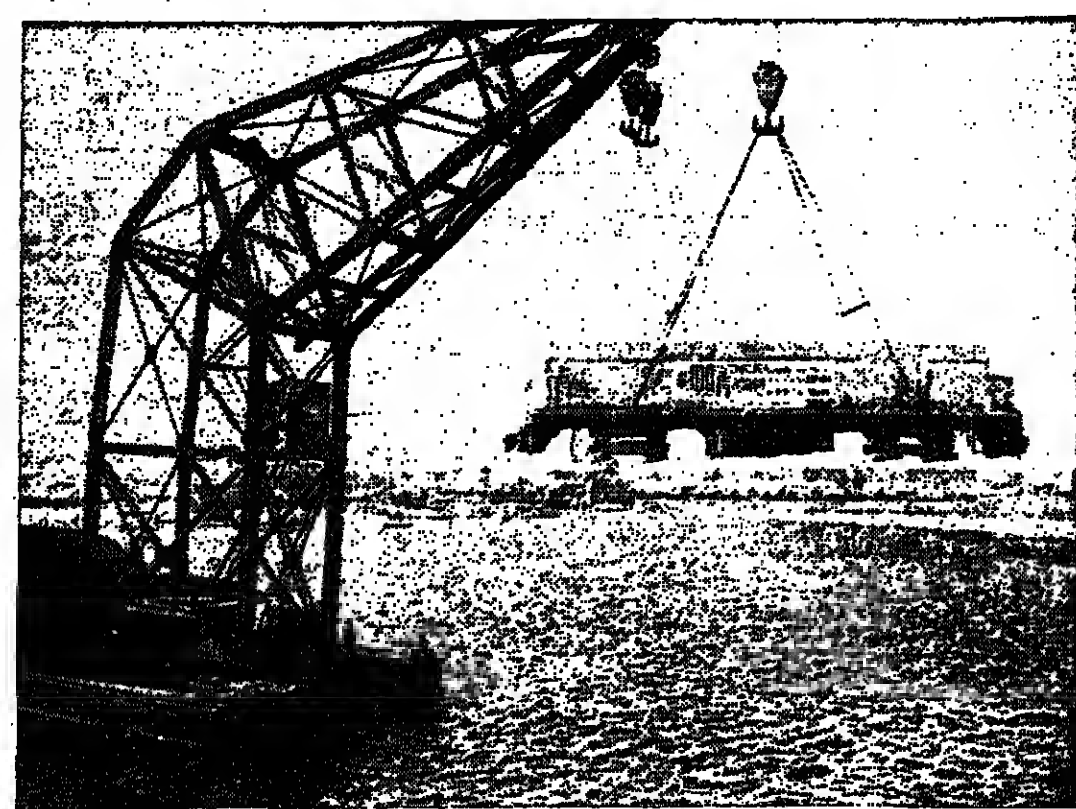
In December of last year Spain agreed with the EEC to continue the status quo for a year during which a new treaty would be negotiated. Now the view in Madrid is that a new treaty is doubtful this year if only because of the tremendous pressure of work and new arrangements following the enlargement of the Community. Spain hopes for an agreement similar to the one obtained by Portugal, namely for progressive moves toward industrial free trade and for concessions on some sensitive farm items. Spain, for example, is worried about the long-term effects on its European markets for oranges and wine. But already by next year Spanish industrial goods will enter the EEC with a 75 percent reduction in tariffs.

So the problems in the agricultural field are less evident in the industrial sector. Senior Diaz

commented: "Our industry is still very competitive and we can still sell in Europe with present tariffs. We have few strikes, low wages and our productivity is growing."

There is no doubt that Spanish economic ties with the rest of Europe are strengthening and foreign companies, notably American, are increasingly seeing Spain as a low-cost manufacturing base for exporting to the EEC and elsewhere. The decision of the Ford Motor Company to open a major new plant in Spain is but one example.

Nearly one half of Spain's export trade is with the Europe of the Nine, but Spain is not ignoring other markets. There is a constant effort to improve sales to traditional markets in Latin America—be it ships to the Argentina, heavy hydro-electric equipment to Peru and Colombia or trucks to Cuba. There was the recent Atlantic Fair in Las Palmas designed to boost trade with African countries, but perhaps most spectacular has been the "approchement" with Peking, Moscow and other Socialist capitals. Major trade benefits have yet to flow, but there will soon be Spanish trade offices in Moscow, Peking and Pankov to augment those already in Prague, Warsaw and Bucharest. Mixed Spanish-Socialist trade committees have been at work and the Spanish government has invited Socialist buyers to Spain for a look around.



Embarkation at Barcelona of Diesel electric locomotives for Brazil.

Trucks and Buses for the World

THE news that Spanish Pegaso trucks are to be assembled in Chile confirms the steady growth of Empresa Nacional de Automociones S.A. (ENASA), heir to the old Hispano Suiza automobile constructor.

The Pegaso trademark was introduced by ENASA in 1946, the year it absorbed the factory and employees of Hispano Suiza Industries in Barcelona. Hispano had been a famous European carmaker since 1903, but there was no postwar demand for its famous limousines. So the same engineers and workers created the new Pegaso line and the first Pegaso vehicles appeared on the roads of Spain in 1946.

Manufacturing facilities, which covered some 50,000 square meters twenty years ago, have multiplied more than fivefold and personnel has jumped from 2,100 to 11,500.

In the first decade after 1946 the Barcelona plant was extended to include the manufacture of new Diesel engines, then the Madrid factory was enlarged and in 1970 work started on the new Barcelona plant for the building of steering mechanisms, gearboxes and axles.

Today the company has eight plants—three each in Barcelona, Madrid and others in Valladolid and Mataro-Barcelona. Production is more than 20,000 units a year.

The local market absorbed the entire output until 1962, but expanded production facilities enabled the company to go into the export business from 1962 on. Sales were recorded throughout Latin America and Cuba and in such different countries as Bulgaria, Rhodesia, India, Poland, Ghana and Egypt.

There are now altogether 63 different models of Pegaso industrial vehicles with carrying capacities ranging from 850 kg. to 38 tons and there are also 33 different models of buses.

Despite stiff competition from European manufacturers, Pegaso is taking steps to help its penetration of the European market. A spare parts depot has been established in Paris and service organizations have been formed in France, Germany, the Netherlands, Belgium, Switzerland and Denmark.

Elsewhere, Pegaso has dealer organizations in Colombia, Peru, Chile, Argentina, Cuba, Poland, Bulgaria and in various countries in Africa and the Near East.

Above all, the company has sought to remain faithful to the tradition of quality control launched by Hispano Suiza back in 1903 and employs one worker in ten on this end.

different models of Pegaso industrial vehicles with carrying capacities ranging from 850 kg. to 38 tons and there are also 33 different models of buses.

Despite stiff competition from European manufacturers, Pegaso is taking steps to help its penetration of the European market. A spare parts depot has been established in Paris and service organizations have been formed in France, Germany, the Netherlands, Belgium, Switzerland and Denmark.

Elsewhere, Pegaso has dealer organizations in Colombia, Peru, Chile, Argentina, Cuba, Poland, Bulgaria and in various countries in Africa and the Near East.

Above all, the company has sought to remain faithful to the tradition of quality control launched by Hispano Suiza back in 1903 and employs one worker in ten on this end.

OECD Reviews Spanish Export Growth

THE Paris-based Organization for Economic Cooperation and Development (OECD) has just issued its latest report on the Spanish economy and it finds this to say about Spanish exports during 1972.

cause the differences in the existing obstacles for trade in this category of products were relatively unimportant given the competitiveness of Spanish products. The biggest market gain has been recorded in North America thanks to the very strong rise of exports of footwear. Indeed some 20 percent of the increase in OECD footwear sales to this market between 1964 and 1971 were Spanish products. This performance was the more significant, as Spanish products accounted for a relatively important part (14 percent in 1971) of the American market."

The export performance in the Common Market has not been very different from that in the American market. When total exports are considered, market gains in the EEC are, of course, much smaller but still considerable. Indeed, Spanish exports have for the average of 1964-1971 performed better than any of the EEC countries.

Changes in demand pressures, both in the domestic economy and abroad, may have influenced the performance of industrial exports, in particular years, but apparently only very slightly. Thus, the small gains in 1967 may be partly explained by weak economic conditions in general in Spain's main export markets in 1968 and 1971 by the slack in the domestic economy built up then, probably helped in 1968 by the peseta devaluation.

On the contrary, even years of very strong demand pressures, like 1966 and 1969, have not produced a corresponding increase in the latter case the devaluation may have been partly responsible. The steady underlying improvement of export performance which emerges from the yearly evolution of market shares suggests the existence of a more fundamental cause—the supply of competitive conditions of products for which there is foreign demand. The investment that followed the opening of the economy in 1969 has created the necessary modern plant capacity, probably as productive if not more than similar plants employed in part, the same (Spanish) labor force abroad. (A bottleneck and labor unrest have been on the increase in Spain in recent years but at a much smaller scale and therefore with much smaller disruptive effects on production than in other European countries.)

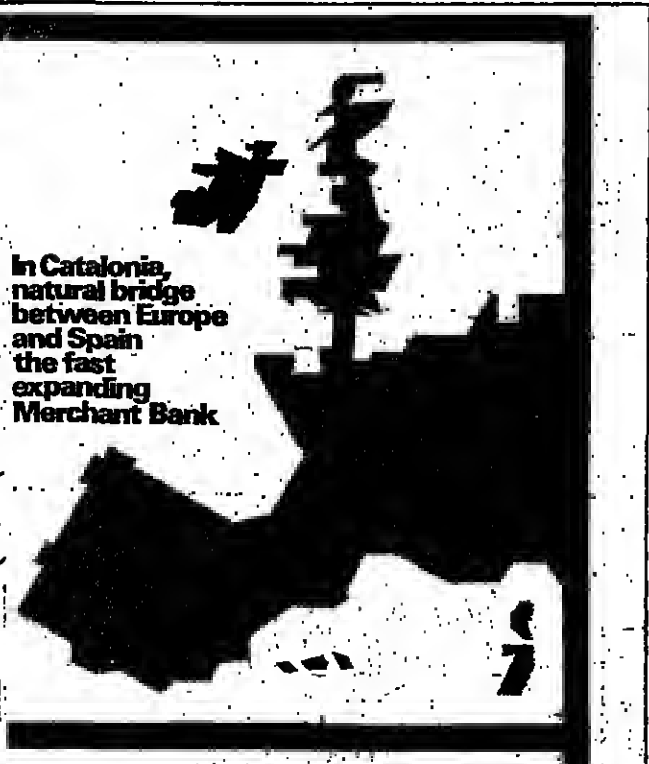
This re-equipment effort is enabling the Spanish economy to make good lost ground in world markets in the two previous decades and to approach the market share that corresponds to her skilled labor force and her industrial infrastructure.

The competitive advantage was provided by a substantial difference between Spanish labor costs and those of other European countries. Country comparisons in this field should be made with extreme caution, but the orders of magnitude of the differences in hourly labor costs in industry are so high as to validate such an assertion. Domestic prices in Spain for a sample of industrial products were not correspondingly lower than in the countries with which the labor cost comparison is made. As other costs are probably not very different

EXPORT PERFORMANCE COMPARATIVE EXPORT PERFORMANCE OF SPAIN AND THE EEC COUNTRIES, 1964-1971 Yearly average market gains, in percent		
	World	EEC
Spain	5.5	4.4
Belgium	1.4	1.1
Germany	1.7	1.6
Italy	2.3	3.6
Netherlands	1.9	2.2

mainly to the very strong rise of exports of footwear. Indeed some 20 percent of the increase in OECD footwear sales to this market between 1964 and 1971 were Spanish products. This performance was the more significant, as Spanish products accounted for a relatively important part (14 percent in 1971) of the American market."

The export performance in the Common Market has not been very different from that in the American market. When total exports are considered, market gains in the EEC are, of course, much smaller but still considerable. Indeed, Spanish exports have for the average of 1964-1971 performed better than any of the EEC countries.



In Catalonia, natural bridge between Europe and Spain the fast expanding Merchant Bank

BANCO INDUSTRIAL DE CATALUÑA

is working for the National Development in the fields of:

- Industry
- Shipbuilding
- Agriculture
- Services
- Infrastructure and
- Real estate development

We offer our cooperation for investment and also advice on partners for your company

- Industrial growth centers (location of sites, surveying and construction)
- Engineering
- Commercial counselling (customers network, suppliers)
- Tax consultants, labour and insurance counsel

Dealing actively in the Import/export trade

Financial services:

- Credits
- Leasing
- Financial planning
- Introduction into the Stock Exchange and Underwriting

BANCO INDUSTRIAL DE CATALUÑA

Barcelona - 6 MAIN OFFICE
Ramón de Capellades, 58 bis
Phone 216 00 00
Telex 33185 BUNCA E

BRANCHES:
Madrid
Valencia
Zaragoza
Vitoria
Bilbao

We are proud.

IBERIA
gives wings to your dreams

It's only human after all!

Judge for yourself.

Our people are wonderful. They work so hard, and yet still find time to study and acquire greater experience in their fields. For instance, it's a pleasure to see our charming hostesses learning so earnestly at our Iberia Training Center, in Madrid. (Incidentally, did you know that it is there that we also teach the art of hospitality to the personnel of 6 other international airlines?)

Another big satisfaction for us is to see the efficiency of IBERIA's maintenance personnel, fully servicing the biggest airlines in the world, at the 25 international airports in Spain. And our fleet! We are proud to tell you that we have increased it with 16 super-jets this year, to satisfy the constantly growing demand, and to make possible our plans of flying to new and interesting destinations, to fulfill the dreams of our passengers all over the world.

And the care we are giving to smaller things... new uniforms... new designs for tickets... Salvador Dalí painting especially for us an inspired work of art to decorate one of our new DC 10/30s... our people's spirit of "individualized attention"...

You see, we don't want people to think we are just boasting. But, these are the facts. Judge for yourself. Or better still, fly with us next time. We look forward to seeing you.

IB IBERIA INTERNATIONAL AIRLINES OF SPAIN 234 OFFICES IN 50 COUNTRIES

The newsletter on the Spanish Economy is continued on Pages 8, 9, 10.

NEWSLETTER ON THE SPANISH ECONOMY

Spanish Export Trade: A Sectorial Approach

By: Jesus Alonso Manzano,
deputy director of Export Promotion,
Spanish Ministry of Commerce.

ONE of the most fascinating aspects of international trade policy has been the adoption by national administrations of an active, ever belligerent attitude. The advent of export promotion policies is evidence only of the importance exports have for the development of production sectors. Export trade is no longer just a monetary factor, a foreign currency earner, but has become an activity that creates income and—as a result—development.

Thus, export promotion policies clearly become part of the general development policy of the country involved. But only to the extent to which exports widen the market, or in other words, only to the extent to which they "promote production" are they achieving a fundamental objective. The fact that additional foreign funds come in, is something to be welcomed. It is not however the most important fact. This approach to export trade policies has led simultaneously, to a fortunate rehabilitation of the qualitative aspect of export activities. It is not sufficient to increase exports—the main objective of traditional trade expansion policies—now it is necessary to improve exports; furthermore,

the administration is no longer indifferent to who carries out the exports and how they are carried out. Together with the set of instruments of export promotion, a management policy—or in other words an export planning policy—comes to the fore.

Foreign trade planning regulations made their appearance in Spain in order to endorse a sectorial field approach, under the Decree-Law 16/1967.

What foreign trade planning intends to achieve and how it works are two questions and the answers to them may help to clarify the sense of an export policy at industrial field level.

Trade planning of the export sectors set up in compliance with Decree-Law 16/1967 tries to solve a number of typical problems that characterize the Spanish traditional export trade.

These are fragmented supply, low financial capacity of exporters, deficient trading organization, lack of utilization of modern marketing techniques, and an excess of competition among exporter concerns.

The logical result of this situation is the weak bargaining position of Spanish exports at the international market level. This is illustrated by the fact that 94% of export concerns are what is euphemistically named "medium and small-sized firms," or

firms with less than 50 employees and of which more than 60% are individual concerns. These features make Spanish exports an often occasional operation.

Foreign trade planning establishes the following objectives: the short-term one of improving the bargaining position of export industries through a reasonable "agreement" among exporter firms, and a medium-term aim of promoting a movement towards exporter grouping in order to concentrate supplies.

The aim is to achieve improved capitalization of industries by means of a truly original formula: retaining part of the tax deriving for exports to constitute, at the same time a common fund for promotion of exports and the best reason for an effective linking of firms that form part of export groups.

There is the long-term aim to achieve a value-added increase for exports in those industries where it is feasible.

The important role played by Decree-Law 16/1967 in the effective development of grouping formula for exports should be underlined. The abundant set of legal provisions, especially those referring to taxes, which are intended to stimulate mergers, has been scantily applied up to now. It proves once more that the existence of regulations does not

necessarily lead to their utilization unless there exists a parallel creative action by the government. This has been the important role played by foreign trade planning regulations. The conversion of over one thousand firms into about thirty associations, incorporated as stock companies, and a similar number of groups without legal personality has proved that this system was the best implementation of the regulations for the merger of companies during the past four years.

On the other hand, it should be recalled that the sectorial field approach of Spanish export policy has always been subject to

two basic principles, namely those of free will and private enterprise.

There will be because the system that covers the agreement between the administration and the industrial sector has legally been voluntary but has obtained the consensus of firms representing at least 60% of the aggregate export figures for the industrial fields concerned.

The system has a private nature because it is based on private enterprise playing the main role within the whole process. The role of the administration is limited to the support of entrepreneurial action and to the promotion of in-depth reform of the business structure.

The question of the role of the sectorial concept in overall planning has a simple reply: it is the framework and the reference point. In other words, the administration has tried to work out, together with private concerns, a "do-it-yourself" system under which the latter commit themselves to reach certain objectives and the former to grant certain means. However, both in defining objectives and in granting the aid, the structure of the industrial field concerned has played an essential role together with typical problems and desirable objectives. Instead of the administration considering concerns individually, there has been introduced a system which con-

siders concerns as a whole within their environment. This is precisely the sectorial field framework within which they move. The Spanish experience in sectorial treatment of exports has achieved reasonably satisfactory results in a group of sectors which are net exporters such as table olives, tomato concentrates, wine, bitter oranges, truffles, capers and some vegetable and fish preserves. The result of grouping has certainly been significant while the means used in support of it were few. However, it seems obvious that the future of this system will be determined by the capacity of Spanish firms to "create organizations" in the domestic and foreign markets.

The Surprise Ite In Spain's Exports

TRADE officials in Madrid concede that the main street in many foreign land associates Spanish goods with oranges. But for discerning purchasers of industrial goods it has long been common knowledge that Spanish manufactured goods can be of high quality.

Spanish skills in building dams and machine tools, those in more traditional industries such as shoes.

A close look at Spanish export figures for the quarter of 1973 shows the ports of steel were up 84 p to some \$100 million. Term prospects also look and plans are advanced. Spain's fourth integral steel plant at Sagunto, near Valencia, six million annual tons will increase national production million tons by 1975.

Automobile exports were percent, added only partly long strike at Renault in Sales of refined petrol in percent of chemicals 16 percent of electrical machinery a pace-setter with 34 percent. Admittedly, sales of ships, and textiles were down shipping remains in a healthy state with the Spanish yards working on orders for large tankers, and bulk carriers. Shoes, mainly go to the United States and which are facing competition from Brazilian clocked up eighty million in sales. Spanish shoes have on sales in Great Britain although the industry finds it to sell its shoes in many of Western Europe, the term aim is to sell as many in Europe as in the U.S.

"We cannot go on depending the U.S. market, which three-quarters of our export said a Spanish trade official. "We are finding that a more penurious type of shoe now better in Europe."

Some of the other "surprise" finds behind the traditional items like a southern Peru, a \$100-million thermic plant in Colombia, a million shipping and technical deal with the Argentine sales of the Pegasus railway freight cars and locomotives. Of course, a capital goods represent the of industrial exports, but it is always ready to try and a market for heavier equipment.

A government council for fiscal investment will short port on how to further Spain's ability in the technical field for official policy, make Spain less dependent foreign technical know-how. The Ministry of Commerce just issued a detailed export trends so far this year makes for instructive reading.

Performance of Exports for First Quarter 1973

Exports

EXPORTS in March 1973 rose by 13.9%, representing Ptas. 24,541 million. The increase in industrial exports was considerably higher (19.7%) while agricultural exports, which had maintained a considerable growth rate over the previous months, dropped to 7.6%. Exportations of industrial products excluding mineral products and transport material rose by 11.8%.

In March, exports of mineral products (69.3%), those of metal and metallurgical products (46.9%) stand out by their high rate of increase. In the first case, the figure is rather surprising when compared to feeble rise in the import of crude petrol (one must take into account that the basic composition of these exports is made of by-products of refined petrol). A part of this phenomenon can be explained by the high increase in this type of product. Concerning the metallurgical products, it would appear that the rise in prices was also influential, taking into consideration the important world market for this type of product.

The increase in the "miscellaneous" category (17.9%), that of transport material (15.4%) and in chemical and plastic production (15.3%) were also important during the month of March. The field of machinery showed an increase of 12.1%. In the fields of consumer goods, there is only a slight increase and in certain categories, for example in footwear, there is even a considerable drop.

It can be seen that the total increase in exportation is 13.4%, while non agricultural exports alone reached an increase of 17%. In reality, the export of agricultural products increased considerably during all that quarter, except for the month of March, this increase being due primarily to the important rise in the domain of fruit, where the harvest was very favourable. Concretely, the exports in this field are superior to those of 1972 by 1/4 (the quantity) and by 1/3 (on the total value). The increase registered in the export of canned vegetables is very important although contrary to almost all the other cases the increase in value is very little compared to quantity exported. The export of "drinks" also rose considerably in their total value to the amount of 33.8%, although in terms of quantity there was hardly a

change, this fact is due principally to the increase in the demand for wine the world over which resulted in the rising of prices.

Among the agricultural products, only two oil and canned fish remained stable or suffered a slight decrease.

Among the non agricultural products, the metal and metallurgical products show the higher increase of 65.1%. This is rather surprising. If we consider the heavy rise of internal demand against the export possibilities in this sector (it must be noted that exports in this field are mainly exports of siderurgical products). This seems to result from the world phenomenon of increasing prices, which we have already mentioned as well as the increase in the productive possibilities of our siderurgical industry.

Another interesting case is the mineral sector where exports rose by 33.5% in the first quarter (this concerns primarily by-products of petrol) while imports hardly changed. Once again, we are facing the phenomenon of world-wide rising prices.

Export of these products shows not only an important rise in value, but also a certain increase of quantity which seems to be related, at least temporarily, to the present crisis of energy and to the relaxation in import restrictions for this type of product in U.S.A., favoring our oil refineries.

Chemical and plastic products rose considerably (17.7%), this increase is due primarily to inorganic chemical products, while organic chemical products suffered an important setback in the amount exported and a decrease of less importance in the total value of these exports.

The machinery section registered also an important increase of 17% which arises without any doubt from the favorable world conditions, but which has been backed by the increase in the "internal demand". In this field, the development of electrical machinery, which rose by 34.1% in value, reaching a sum of 2,000 million pesetas, was specially important. The field of mechanical machinery increased less, but this continues to give total figures showing a continued growth in export (more than 5,000 million pesetas).

Transport material reaches an increase of 12.7%, owing to the increase of our automobile ex-

ports and auto parts (the total of our exports in land transport material rose by 54.4% in value). Contrary to this, exports in shipping show a considerable decrease, compared to those of the first quarter of last year (a decrease that must not be given too much attention because it is due to important modifications in the program for shipping deliveries offered by this sector).

Exports of footwear and textiles suffered an important decrease, specially the footwear whose total export value lessened by 13.3%. Concerning these exports the problems that arise in the last few months, are well known.

Conclusion

After the relatively abnormal results in February exports, March offers us results completely in line with the general vigorous development of the previous figures: the annual high rate of increase in importation (20%) and the acceptable, but lower rates of increase in exportation. Contrary to what happened the previous months, agricultural exportations hardly surpassed the level of March 1972, which caused a slow increase in the export of fruit, and even a fall in the fat and treated meat section. The rest of the exports continued as in previous months: feeble, or even negative, rate of increase in several groups of consumer goods, an increase of about 12% for machinery and high rates of increase for petrol by-products (favored up to now by the energy crisis existing on a worldwide scale) and siderurgical products which also benefited from a very favorable world market.

Regarding imports, we continue to notice a steady rise in the section where the basis is equipment. Machinery continues also to rise steadily (even though less than the quarterly average); this is true also for transport and precision material (more than the average). The only category which offers a lesser increase is the mineral products section where it seems that the difficulties arising from the lack of crude petrol play an important part.

In any case, from the analysis of the variation in quantities and value exported even if it is explained in a rudimentary fashion and at times even disguised by

modifying the commercial structure (for example regarding siderurgical products) the importance of rising prices being experienced the world over is very obvious, a phenomenon which is particularly evident in the agricultural field, and in that of raw materials and semi-manufactured products.

News Briefs

U.S. Steel Takes Interest

U.S. Steel has bought a 22.5 percent interest in the 1.5 billion dollar integral steel plant to be built near Sagunto, the fourth major plant of its type in Spain. U.S. Steel already has a major interest in another Spanish steel plant.

Cars and TV Up

Car ownership in Spain has jumped from 358,000 in 1961 to three million today. Some ten million Spaniards now own television sets.

Foreign Investment Jumps

Direct American investment in Spain now totals about one billion dollars. Another half a billion dollars is in securities and real estate.

Spaniards Spend More

Spanish travel expenditure abroad has accelerated sharply in recent years and now totals about \$19 million dollars.

Aid to Investments

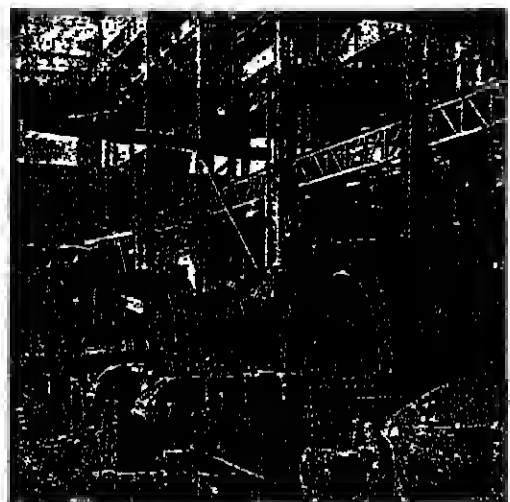
Measures taken recently by the Spanish companies overseas are designed to provide full official support for all investments made by Spanish companies overseas including those of savings and investment companies.

Tonnage Leaps

The tonnage of the Spanish merchant fleet increases at the rate of eight percent a year, the second fastest percentage increase among OECD maritime countries after Japan.

SPAIN COUNTRY TO INVEST IN

Third Development Plan



For information on foreign capital investment
consult: Office Centre of Administrative
Information, Alcalá Galiano 10
Madrid 1

for first-class
assistance in
spanish
banking
contact



BANCO DE VIZCAYA

MORE THAN 300 BRANCHES
THROUGHOUT SPAIN
AT YOUR SERVICE
HEAD OFFICE IN BILBAO (SPAIN)
CENTRAL FOREIGN DEPARTMENT
ALCALÁ 45 MADRID (SPAIN)

REPRESENTATIVE OFFICES:
NEW YORK, 580 PARK AVENUE
TEL. 212-661-0227 NEW YORK, N.Y. 10017
MEXICO, AVDA. JUAREZ, 4 - TEL. 552-37-41
MEXICO, D.F.

Always in "Sea-Sun" Nueva Andalucia in Spain



It's the one resort community on Spain's sunny Costa del Sol that has it all. A lovely seaside setting with the Mediterranean's most modern marina. Two championship golf courses. Tennis courts, riding stables and swimming pools all within walking distance from your front door. Modern beach club surrounded by lush gardens. Fine restaurants. Even its own bull ring! And the shops and gayety of Marbella are just minutes away.

Nueva Andalucia is truly unique—and an ideal spot to own your own place for vacations, year

round living or investment potential through rental income. Choose from a wide variety of sizes and styles: beautiful apartments from just \$12,000; two bedroom garden townhouses from \$19,000; harbor houses in the port area from \$25,000; and luxury villas from under \$40,000 to over \$80,000. Expert management to make ownership totally worry-free.

Call or write us for complete details. Then come on down and see for yourself all the reasons for owning a home on the Costa del Sol—all at Nueva Andalucia!

Special Plan for Spanish People

PANORAMA

Your American Realtor on the Costa del Sol
Edificio Alameda
Avenida Ricardo Soriano
Marbella (Malaga) Spain
(across from the bus station in Marbella)
Phone: 825-803
International Headquarters 810 - 18th St. NW
Washington, D. C. 20006

Business in Spain is Better Business through Induban

(BANCO DE FINANCIACION INDUSTRIAL S.A.)
Paseo de la Castellana, 112 - Madrid-6

Spanish drive associated with
worldwide financial know-how.

BANCO DE VIZCAYA, BILBAO.
FIRST NATIONAL CITY BANK, NEW YORK.
CREDIT LYONNAIS, PARIS.
SOCIETE DE FINANCEMENT INTERNATIONAL
DE LA COMPAGNIE DES CHARENTAIS, NANTES.
INTERNATIONAL WESTMINSTER BANK LTD., AFFILIATE
TO NATIONAL WESTMINSTER BANK LTD., LONDON.
DRESNER BANK, DRESDEN, GERMANY.
HILL, SAMUEL & CO., LTD., LONDON.
BANQUE PARISIENNE, PARIS.
BANQUE DE L'UNION EUROPEENNE, PARIS.

INDUBAN

YOUR MERCHANT BANK IN SPAIN

NEWSLETTER ON THE SPANISH ECONOMY

Fresh Impetus Given To Steel Production

The Sur...
In S...
Expanding steel indus-
was given fresh impetus
favorable economic con-
in 1972.

ing the mid-period of 1972, after
remaining substantially below this
level since mid-1970.

Export Structure

Exports of ordinary steel in-
dicate that rolled sections make
up the largest percentage, with
43.1 percent of the total, of which
51.7 percent is for heavy sections
and 48.3 percent for light sections.
Semi-products follow with 37.8
percent, flat products with 7.8
percent, principally all cold-rolled
products (98.5 percent). Finally,
exports of wire rod represented 4.5
percent of the total product.

In special steel, the breakdown
by products also showed the
largest percentage to be sections,
with 63.1 percent, divided prac-
tically in half between light and
heavy types, with wire rod fol-
lowing with 11.2 percent of the
total and flat products with 10.8
percent, of which 98.5 percent
were hot-rolled products. Finally,
exports of billets and semi-
products represented 9 percent of
the total. In terms of quality,
51 percent were construction
steel alloys and 25.6 percent
stainless and refractory steels,
17.6 percent fine carbon steels,
and the remainder divided among
the other special steels.

Investment And New Capacity

The industry's rate of invest-
ment which was initiated with
the Concerted Action program,
and which aims at attaining the
goals of the National Steel Pro-
gram, was continued in 1972. The
year virtually saw the completion
of Concerted Action projects,
although some facilities will not
be completed until 1973.

Investment allocated to the Con-
certed Action program in 1972 was
somewhat lower than that in 1971.
However, estimated investment
figures for the entire sector are
very similar to those for 1971,
particularly some comparatively
important projects performed out-
side the Concerted Action pro-
gram. On the basis of available
figures, it is estimated that total
investment in the steel sector
reached a figure of about
Ptas. 14,400 million in 1972, in
comparison with 14,500 in 1971.

The distribution of investments
in 1972, calculations for which are
still of a provisional nature, have
been estimated as follows, accord-
ing to the type of installation:

DISTRIBUTION OF INVESTMENTS

(In millions of pesetas)

Installations	1970	1971	1972 (%)	In %
Preparation of loads	1,648	1,559	1,450	10.1
Production of pig iron	1,623	1,159	880	6.1
Production of steel	1,823	1,585	2,179	15.1
Rolling	3,973	5,990	5,970	41.4
Others	3,745	2,815	3,960	27.4
Total	17,899	14,500	14,400	

(*) Provisional estimate.

New Capacity

The most important plants
which began commercial op-
eration during the year were:

SINTERING:

—One plant of 2,000,000 tons/

PIG IRON:

—One blast furnace with 9.5
meter crucible diameter, with a
1,000,000 tons/year capacity.

STEEL:

—Four electric arc furnaces of
30 tons per unit, with a total
capacity of 180,000 to 200,000
tons/year.

CONTINUOUS CASTING:

—Two bloom units with three
lines, with a capacity of 30 tons/
hour per unit.

—One slab unit of one line, with
a capacity of 140 tons/hour.

HOT-ROLLING:

—Two blooming mills of 180,000
and 200,000 tons/year, respectively.

—One billet mill of 510,000
tons/year.

—One structural section mill of
450,000 tons/year.

—One mill for commercial rolled
products and another for rounds,
with an approximate capacity of
50,000 tons/year per unit.

—One heavy plate mill of 550,000
tons/year.

—One skin-pass mill for stain-
less steel, of 30,000 tons/year.

Employment

Total personnel employed in the
steel industry in its entirety as
well as that part devoted ex-
clusively to steel production in-
creased by 1.7 percent over the
figure for 1971, rising from 79,061
people at the end of 1971 to 80,378,
the estimated figure for the end
of 1972. Personnel employed in
what is properly defined as steel
making, excluding processing ac-

per year, rising from 120 tons in
1971 to 140 tons in 1972, a relative
increase of 16.7 percent. This has
allowed the steel sector to absorb
cost increases which occurred
during a major part of the 1972
business year, although in the
latter part of the year cost varia-
tions took a stronger upturn. This
placed the sector in a very dif-
ficult situation for 1973 with its
increases in wages, Social Security
payments, electric power, and,
above all, the price of scrap.

The structure of employment in
the steel sector has not undergone
any noticeable changes; the ten-
dency toward a slight percentage
decrease in processing workers
continues, while the reverse trend
is to be noted for maintenance
and service workers.

Steel Prices

Pressures toward the upward
movement of prices were a nega-
tive factor in the economic
balance for 1972. The general
increase in prices for the whole
industrial sector was 6 percent,
compared to 4.5 percent in 1971.

In this context of industrial
prices, the unvarying maintenance
of the steel price schedule has
been a stabilizing factor. Within
the composition and structure of
the schedule, the greater demand
for the sector's products in 1972
allowed the industry to adapt
certain parts of the price struc-
ture, an adjustment which was
not possible in 1971 due to the
more unfavorable situation with
consumption. This adjustment
was limited to a reduced number
of products in greatest demand,
and only since the middle of the
year when the market began to
show more strength.

As a result, steel prices main-
tained absolute stability since the
last change on June 23, 1971.

During this period of 20 months
it was increase in productivity
which enabled the industry to
meet increases in costs mainly in
wages and Social Security.

Nevertheless, in the last few
months of the year substantial in-
creases in scrap prices, which are
shooting up in international mar-
kets, to which Spain is tethered
as a result of its structural lack
of raw materials, was reason for
understandable uneasiness.

Uninterrupted upward trend of
costs is a matter of increasing
concern to the sector, which does
not see any possibility of absorb-
ing these costs on the basis of
productivity increases. Recent
wage increases, the increase in
Social Security costs, the increase
in electric power rates together
with the previously mentioned
development of scrap prices, all
create an impossible obstacle to
the maintenance of stability in
the steel price schedule.

The prices of steel products are
subject to a system known as
"regulated prices" since the enact-
ment of legislation ("Orden de
la Presidencia del Gobierno") on
June 9, 1970. However, this sys-
tem has been changed to that of
"maximum prices on the basis
of the Ministry of Commerce De-
cree 2010/1971. However, the pos-
sibility raised by the decree of
establishing a price agreement
between the production sector and
the administration, has not
actually been applied.

The present schedule of prices
must be considered in the light
of current conditions, of the stage
reached in the development of
the steel industry, as well as the
imperative factors which would
be involved in a possible agree-
ment to be signed with the Euro-
pean Economic Community and
which, according to the draft of

the contract prepared by the or-
ganization, must be negotiated
during the present year in order
to become effective as of the first
of January, 1974.

The community member states
themselves seem to have request-
ed the inclusion of steel products
in the new agreement, in contrast
to what occurred in negotiations
for the Preferential Agreement be-
tween Spain and the EEC. How-
ever, steel products, together with
coal and iron, are subjected by the
Treaty of Paris to the Euro-
pean Community of Steel and
Coal, with price regulations and
standards of competition much
more complete than those of the
EEC. Therefore, the present sys-
tem of prices applied in Spain to
steel products is not in accordance
with the requirements which will
be incurred in an agreement with
the EEC.

Prospects for 1973

With 1972 ending in a situation
favorable to the steel sector, ex-
pectations in official and private
circles for 1973 are that the gross
national product could be in line
with the 7 percent in real terms
provided in the Third Develop-
ment Plan. Industrial gross
product may expect a growth be-
tween 6 and 9 percent in real
terms.

With construction and public
works, the sector believes that
activity in 1973 may well increase
in turn to 10 percent on the basis
of the large volume of work con-
tracted during 1972. Demand in
the automobile sector could in-
crease by 12 percent, according
to sources within that sector, and
shipbuilding has a substantial
order book on hand.

The 1973 budget has been es-
tablished as an accompaniment

to the expansion of the economy.
In financial terms, it has been
made clear that monetary supply
and liquidity will be maintained
at levels of reasonable expansion,
although at a growth rate some-
what lower than that of 1972. The
capacity of the banking sector
for financing will depend on the
action of the monetary authori-
ties, but it is expected that there
will be no lack of financing re-
quired to continue economic ac-
tivity at a high rate.

As for investments, the gener-
ally favorable attitude of the secu-
rities market, the positive results
of companies in 1972, and the devel-
opment of projects included in
the investment tax relief of this
year enables Spanish steel to
look forward to a renewed increase
in investments in 1973.

All factors point towards satis-
factory expansion. Only justifi-
ed concern over the pressures on
prices moderate the optimism
which has been shown in the first
months of this year. The authori-
ties, undoubtedly, will attempt to
achieve the always difficult bal-
ance between attaining a high
growth rate and maintaining rel-
ative stability in prices.

It is reasonable to expect con-
sumption of steel to undergo a
further increase in 1973 which will
bring it even closer than in 1972
to the forecast of the National
Steel Program. According to this
estimate, consumption of steel for
1973 should be 11.1 million tons.
In fact, it may be close to 10.8 mil-
lion tons, or 12 to 14 percent.
With reference to the National
Steel Program for 1973, it will
remain 3 percent below the esti-
mated figure, in contrast to 6.8
percent in 1972.

GENERAL DIAGRAM OF THE SECTOR

	1971 Thousands of tons	1972* Thousands of tons	Percent of 1971-1972
Steel production	8,925	9,325	10.4
Domestic material	200	209	50.6
Domestic production	8,725	9,116	10.5
Imports in factory stocks	335	—	—
Imports from factories	7,390	8,913	24.6
Imports	1,186	1,553	58.5
Contribution to con- sumption	6,784	7,989	18.8
Net consumption	1,158	1,528	32.8
Net data	7,582	9,508	20.9

ent steel consumption—
as total production of
1 for rolling, the balance
reign trade, and the varia-
steel plant stocks—under-
considerable increase in
20.9 percent. In evaluating
rease, it must be remem-
bered that 1971 was abnor-
mally low that there was an
e decrease that year.
re, this increase in 1972

with respect to 1970 has been 11.3
percent, which is lower than the
trend.

Apparent consumption of steel
per inhabitant was 254 kilograms
in 1970, dropped to 230 kilograms
in 1971, and rose to 276 in 1972.
Estimated production of pig iron
was 5.9 million tons, a 23.6 per-
cent increase over 1971, due to a
new blast furnace which went into
commercial operation.

IRON AND STEEL PRODUCTION

	1971 Thousands of tons	1972* Thousands of tons	Percent of 1971-1972
Pig iron	4,827	5,928	22.9
Finished products	3,925	5,325	35.6
Products in steel equiv- alent	5,587	6,735	20.5
Net data	7,159	8,717	21.8

ated steel production, on
basis of provisional figures,
to 9,325 million tons, an 18.7
percent increase over 1971.

duction of hot-rolled prod-
ucts for the year is estimated
74 million tons, an increase
5 percent over 1971.

Foreign Trade

ign trade was an important
in the development of the
and steel industry during
export operations
1.68 million tons, a total
exceeded 1971 exports by
percent. Both absolute ton-
and the percentage of in-
are highly important for
take the export movement
ident of the influence of
ternal economic situation
ply an orientation of the
towards exports. Already
re an indispensable requi-
later development of the

reached a volume of
1100 tons for 1972, an in-
of 32 percent over 1971.

aspects of foreign trade
that the steel sector has
f age, that its nature has
to be almost exclusively
involved in imports. It has

become involved in exchange,
which is normal for industries with
developed steel industries.

It is important to emphasize
surplus tonnage, 326 tons for
the entire year of 1972. Neverthe-
less, foreign trade in steel con-
tributed to show a deficit in value
of Ptas. 5,673 million, although
imports are recorded by value
CIF, and exports, on the other
hand, by value FOB. However,
this difference in calculation does
not compensate for the negative
balance, which is also due to the
fact that Spanish exports com-
prise more semi-manufactured
products and bars, whereas im-
ports consist more of manufactur-
ed products and flat products of
greater unit value.

There is an undeniable trend
toward reducing these differences
and toward exporting increasingly
more finished and varied products.
The total value of exports in 1972
was almost Ptas. 12,000 million,
one of the industrial sector's most
extensive exporters.

It is appropriate to indicate that
with ordinary steel a surplus of
444,000 tons was achieved, whereas
there was a deficit of 114,876 tons
in special steels. The total net
export balance in steel was 329,124
tons.

BANCO URQUIJO

Established 1870

The leading Merchant Bank in Spain

CAPITAL and RESERVES: 14,588,877,000 PTAS. (1968.050 & 100)



UNION ELECTRA, S.A.
Zaragoza Power Station
(Guadalquivir)

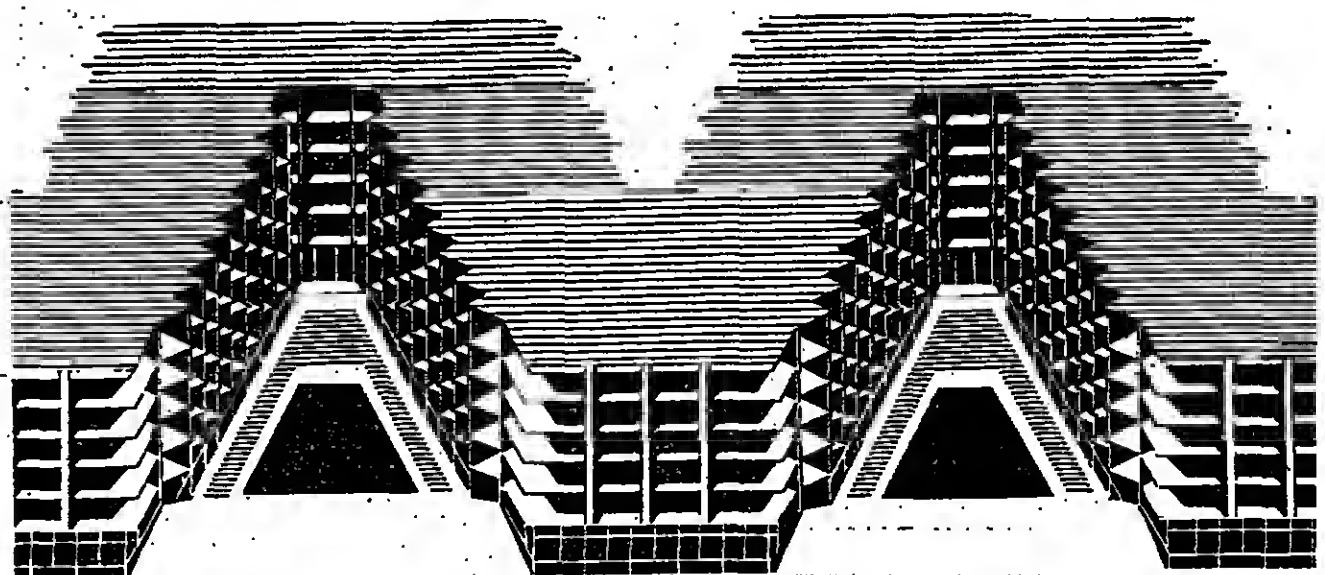


SEAT-Barcelona



Head office: Alcala, 47, Spain
Branches: Barcelona, Seville, Gijón, Valencia
Subsidiary: URQUIJO PRUZZI AB, Bahnhofstrasse 5
1000 Zurich - Telephone 34 25 85
Representative Office: 131/33 Cannon Street, London EC4N 6DN
Telephone 083 49 38

3.500 apartotelmen...



...Everyone a guaranty... 3500 people are already owners of an apartment for
holidays, their business... in Spain's most beautiful places.

In one of these apartotels that Melia has already built.

Palma de Mallorca: Apartotel Melia Magaluf
Alicante: Apartotel Melia Alicante
Madrid: Apartotel Melia Madrid

And very soon these 3500 Apartotelmen will meet thousands and thousands
more who want to take part in this rentable proposition. Because Melia
continue to choose the best. Now they are constructing apartotels in the most
delightful spots in the world.

Torremolinos: Apartotel Melia Costa del Sol
Londres: Apartotel Melia Londres
Paris: Apartotel Melia Paris
Barbados: Apartotel Melia Barbados
Mexico: Apartotel Melia Purua Mexico
Acapulco: Apartotel Melia Purua Acapulco

WHAT ADVANTAGES HAVE THESE APARTOTELS?

- To be owner of one of these luxurious apartments that you can use at any time.
 - An apartment without maintenance cost, rentable even when not using.
 - To take part in a hotel service with constant profits.
- Now you will understand why apartotel Melia have so many Apartotelmen.

Inmobiliarias
Melia

Princesa, 25
MADRID
Tnos. 241 99 34 y 247 55 00

Gentlemen: I would like to receive
a free Prospectus describing
Apartotel Melia

Name _____
(PLEASE PRINT)
Address _____
City _____
State _____
County _____

BANCO DI ROMA - COMMERZBANK - CREDIT LYONNAIS
Europe's Bankers to the World of Business

Aid to Investments

Measures taken recently by the Spanish government were designed to provide full official support for all investments made by Spanish companies overseas including those of savings and investment companies.

هكذا مني أيضا

[illegible]

Hedderwick Borthwick & Co.
Members of The London Stock Exchange

welcome institutional enquiries
for their detailed review of the

RIO TINTO-ZINC CORPORATION

International Department
Hedderwick Borthwick & Co.
No. 1 Moorgate, London EC2R 6AA

BANCO DI SICILIA

Public Credit Institution
with Head Office in Palermo, Italy
Capital Funds Lire 88,208,564,916

CONSOLIDATED BALANCE SHEET AS OF DECEMBER 31, 1972

ASSETS	Line	LIABILITIES	Line
Cash and Due from Banks	154,051,876,793	Capital and Reserves	87,495,731,916
Securities Owed	600,526,013,410	Special Reserves	1,050,388,048
Participations and Investments	27,813,423,844	Special Funds	76,339,449,439
Advances and Loans in Lire	1,821,578,385,029	Accounts and Deposits in Lire	
Advances and Loans in Foreign Currencies	293,834,215,160	and Foreign Currencies	2,135,546,655,373
Banking Premises and Real Estate	16,765,725,796	Notes in Circulation	499,846,406,110
Engagements on account of Customers for Acceptances and Confirmed Credits and Other Obligations	129,736,136,625	Other Liabilities	106,272,034,169
Credits towards Collector's Office	86,006,438,345	Acceptances, Confirmed Credits and Other Obligations on account of customers	129,736,136,625
Miscellaneous Accounts	340,255,871,260	Engagements towards Fiscal Authorities for Taxes Collection	84,121,873,740
Total Assets	3,470,968,086,262	Miscellaneous Accounts	349,344,106,100
Contra Accounts	2,196,067,182,104	Profit for the year	1,205,304,742
	5,667,035,268,366	Total Liabilities	3,470,968,086,262
		Contra Accounts	2,196,067,182,104
			5,667,035,268,366

On April 26, 1973, an ordinary meeting of the General Council of Banco di Sicilia was held in Palermo, Italy in order to approve the 1972 balance sheet along with the proposed distribution of the net profit.

The Chairman of the Board, Dott. Ciro de Martino, read the annual report of the Board of Directors illustrating the activity carried on by Banco di Sicilia and its special departments emphasizing the positive results obtained in every field of intervention.

The mass of deposits rose 25.9% to 2,712 billion Lire compared to the previous year figures while the liquidity reserves exceeded 750 billion Lire. Short term and special loans kept a high rate of growth (24.3%) reaching 2,115 billion Lire.

These figures give an idea of the dimension acquired by the bank's activity and turn out to have a more important meaning considering that they reflect a further development of the rate of growth experienced by the bank over the past years.

The report makes mention of the developments at the agreement with Banca di Napoli, Istituto Bancario di Torino and Monte dei Paschi di Siena which, besides other achievements, brought about the international scene the establishment of the Italian International Bank, a merchant bank which began operating in the London financial market with promising results. The report of the Board of Directors also mentioned the continued efforts made by the bank to provide, mainly through its Industrial Loan Department, financial support for every initiative aiming at the economic development of Sicily and at promoting the growth of the bank as a financial organization and research and in pursuing the statutory aims of economic, charitable and cultural nature.

The General Council, after hearing the report of the Board of Directors, approved the balance sheet as well as the proposed distribution of the net profit. The total amount of 13,322 million Lire, were determined in the amount of 1,245 billion Lire. After the distribution of the profit, the capital funds of Banco di Sicilia amount to 88,208,564,916 Lire of which 5,667,035,268 Lire are reserve funds.

Attention: Air Quality Engineers

NOTICE OF PUBLIC INVITATION FOR PROPOSALS

Ohio Power Company, U.S.A., is inviting sealed, written proposals for particulate and sulfur oxide removal system(s) to be installed to control emissions from the boilers at the Kammer Steam Electric Generating Plant of the Company at Captina, West Virginia, U.S.A. Such proposals are to be presented to the Company, at the office of American Electric Power Service Corporation, 2 Broadway, New York, New York 10004, Room 1075 (Attention Mr. John Tillinghast, Senior Executive Vice President - Engineering and Construction), at or before 12 o'clock Noon, New York time, on July 9, 1973 (or at such later time or times as may be fixed by the Company). Copies of the Public Invitation for Proposals, setting forth the terms and conditions relating to the proposals, may be obtained at the office of the Plant Manager of the Kammer Plant at Captina, West Virginia, U.S.A., or at said office of American Electric Power Service Corporation. Proposals will be considered only if made in accordance with and subject to such terms and conditions.

OHIO POWER COMPANY

American Electric Power System

Donald C. Cook
President

Bond Sales on the New York Stock Exchange

Bonds	Sales in \$1,000 High Low Last	Net change
GenCorp 8 1/2% 1981	10 1/2 10 1/2 10 1/2	+ 1/4
GenCorp 8 1/2% 1982	10 1/2 10 1/2 10 1/2	+ 1/4
GenCorp 8 1/2% 1983	10 1/2 10 1/2 10 1/2	+ 1/4
GenCorp 8 1/2% 1984	10 1/2 10 1/2 10 1/2	+ 1/4
GenCorp 8 1/2% 1985	10 1/2 10 1/2 10 1/2	+ 1/4
GenCorp 8 1/2% 1986	10 1/2 10 1/2 10 1/2	+ 1/4
GenCorp 8 1/2% 1987	10 1/2 10 1/2 10 1/2	+ 1/4
GenCorp 8 1/2% 1988	10 1/2 10 1/2 10 1/2	+ 1/4
GenCorp 8 1/2% 1989	10 1/2 10 1/2 10 1/2	+ 1/4
GenCorp 8 1/2% 1990	10 1/2 10 1/2 10 1/2	+ 1/4
GenCorp 8 1/2% 1991	10 1/2 10 1/2 10 1/2	+ 1/4
GenCorp 8 1/2% 1992	10 1/2 10 1/2 10 1/2	+ 1/4
GenCorp 8 1/2% 1993	10 1/2 10 1/2 10 1/2	+ 1/4
GenCorp 8 1/2% 1994	10 1/2 10 1/2 10 1/2	+ 1/4
GenCorp 8 1/2% 1995	10 1/2 10 1/2 10 1/2	+ 1/4
GenCorp 8 1/2% 1996	10 1/2 10 1/2 10 1/2	+ 1/4
GenCorp 8 1/2% 1997	10 1/2 10 1/2 10 1/2	+ 1/4
GenCorp 8 1/2% 1998	10 1/2 10 1/2 10 1/2	+ 1/4
GenCorp 8 1/2% 1999	10 1/2 10 1/2 10 1/2	+ 1/4
GenCorp 8 1/2% 2000	10 1/2 10 1/2 10 1/2	+ 1/4
GenCorp 8 1/2% 2001	10 1/2 10 1/2 10 1/2	+ 1/4
GenCorp 8 1/2% 2002	10 1/2 10 1/2 10 1/2	+ 1/4
GenCorp 8 1/2% 2003	10 1/2 10 1/2 10 1/2	+ 1/4
GenCorp 8 1/2% 2004	10 1/2 10 1/2 10 1/2	+ 1/4
GenCorp 8 1/2% 2005	10 1/2 10 1/2 10 1/2	+ 1/4
GenCorp 8 1/2% 2006	10 1/2 10 1/2 10 1/2	+ 1/4
GenCorp 8 1/2% 2007	10 1/2 10 1/2 10 1/2	+ 1/4
GenCorp 8 1/2% 2008	10 1/2 10 1/2 10 1/2	+ 1/4
GenCorp 8 1/2% 2009	10 1/2 10 1/2 10 1/2	+ 1/4
GenCorp 8 1/2% 2010	10 1/2 10 1/2 10 1/2	+ 1/4
GenCorp 8 1/2% 2011	10 1/2 10 1/2 10 1/2	+ 1/4
GenCorp 8 1/2% 2012	10 1/2 10 1/2 10 1/2	+ 1/4
GenCorp 8 1/2% 2013	10 1/2 10 1/2 10 1/2	+ 1/4
GenCorp 8 1/2% 2014	10 1/2 10 1/2 10 1/2	+ 1/4
GenCorp 8 1/2% 2015	10 1/2 10 1/2 10 1/2	+ 1/4
GenCorp 8 1/2% 2016	10 1/2 10 1/2 10 1/2	+ 1/4
GenCorp 8 1/2% 2017	10 1/2 10 1/2 10 1/2	+ 1/4
GenCorp 8 1/2% 2018	10 1/2 10 1/2 10 1/2	+ 1/4
GenCorp 8 1/2% 2019	10 1/2 10 1/2 10 1/2	+ 1/4
GenCorp 8 1/2% 2020	10 1/2 10 1/2 10 1/2	+ 1/4
GenCorp 8 1/2% 2021	10 1/2 10 1/2 10 1/2	+ 1/4
GenCorp 8 1/2% 2022	10 1/2 10 1/2 10 1/2	+ 1/4
GenCorp 8 1/2% 2023	10 1/2 10 1/2 10 1/2	+ 1/4
GenCorp 8 1/2% 2024	10 1/2 10 1/2 10 1/2	+ 1/4
GenCorp 8 1/2% 2025	10 1/2 10 1/2 10 1/2	+ 1/4
GenCorp 8 1/2% 2026	10 1/2 10 1/2 10 1/2	+ 1/4
GenCorp 8 1/2% 2027	10 1/2 10 1/2 10 1/2	+ 1/4
GenCorp 8 1/2% 2028	10 1/2 10 1/2 10 1/2	+ 1/4
GenCorp 8 1/2% 2029	10 1/2 10 1/2 10 1/2	+ 1/4
GenCorp 8 1/2% 2030	10 1/2 10 1/2 10 1/2	+ 1/4
GenCorp 8 1/2% 2031	10 1/2 10 1/2 10 1/2	+ 1/4
GenCorp 8 1/2% 2032	10 1/2 10 1/2 10 1/2	+ 1/4
GenCorp 8 1/2% 2033	10 1/2 10 1/2 10 1/2	+ 1/4
GenCorp 8 1/2% 2034	10 1/2 10 1/2 10 1/2	+ 1/4
GenCorp 8 1/2% 2035	10 1/2 10 1/2 10 1/2	+ 1/4
GenCorp 8 1/2% 2036	10 1/2 10 1/2 10 1/2	+ 1/4
GenCorp 8 1/2% 2037	10 1/2 10 1/2 10 1/2	+ 1/4
GenCorp 8 1/2% 2038	10 1/2 10 1/2 10 1/2	+ 1/4
GenCorp 8 1/2% 2039	10 1/2 10 1/2 10 1/2	+ 1/4
GenCorp 8 1/2% 2040	10 1/2 10 1/2 10 1/2	+ 1/4
GenCorp 8 1/2% 2041	10 1/2 10 1/2 10 1/2	+ 1/4
GenCorp 8 1/2% 2042	10 1/2 10 1/2 10 1/2	+ 1/4
GenCorp 8 1/2% 2043	10 1/2 10 1/2 10 1/2	+ 1/4
GenCorp 8 1/2% 2044	10 1/2 10 1/2 10 1/2	+ 1/4
GenCorp 8 1/2% 2045	10 1/2 10 1/2 10 1/2	+ 1/4
GenCorp 8 1/2% 2046	10 1/2 10 1/2 10 1/2	+ 1/4
GenCorp 8 1/2% 2047	10 1/2 10 1/2 10 1/2	+ 1/4
GenCorp 8 1/2% 2048	10 1/2 10 1/2 10 1/2	+ 1/4
GenCorp 8 1/2% 2049	10 1/2 10 1/2 10 1/2	+ 1/4
GenCorp 8 1/2% 2050	10 1/2 10 1/2 10 1/2	+ 1/4
GenCorp 8 1/2% 2051	10 1/2 10 1/2 10 1/2	+ 1/4
GenCorp 8 1/2% 2052	10 1/2 10 1/2 10 1/2	+ 1/4
GenCorp 8 1/2% 2053	10 1/2 10 1/2 10 1/2	+ 1/4
GenCorp 8 1/2% 2054	10 1/2 10 1/2 10 1/2	+ 1/4
GenCorp 8 1/2% 2055	10 1/2 10 1/2 10 1/2	+ 1/4
GenCorp 8 1/2% 2056	10 1/2 10 1/2 10 1/2	+ 1/4
GenCorp 8 1/2% 2057	10 1/2 10 1/2 10 1/2	+ 1/4
GenCorp 8 1/2% 2058	10 1/2 10 1/2 10 1/2	+ 1/4
GenCorp 8 1/2% 2059	10 1/2 10 1/2 10 1/2	+ 1/4
GenCorp 8 1/2% 2060	10 1/2 10 1/2 10 1/2	+ 1/4
GenCorp 8 1/2% 2061	10 1/2 10 1/2 10 1/2	+ 1/4
GenCorp 8 1/2% 2062	10 1/2 10 1/2 10 1/2	+ 1/4
GenCorp 8 1/2% 2063	10 1/2 10 1/2 10 1/2	+ 1/4
GenCorp 8 1/2% 2064	10 1/2 10 1/2 10 1/2	+ 1/4
GenCorp 8 1/2% 2065	10 1/2 10 1/2 10 1/2	+ 1/4
GenCorp 8 1/2% 2066	10 1/2 10 1/2 10 1/2	+ 1/4
GenCorp 8 1/2% 2067	10 1/2 10 1/2 10 1/2	+ 1/4
GenCorp 8 1/2% 2068	10 1/2 10 1/2 10 1/2	+ 1/4
GenCorp 8 1/2% 2069	10 1/2 10 1/2 10 1/2	+ 1/4
GenCorp 8 1/2% 2070	10 1/2 10 1/2 10 1/2	+ 1/4
GenCorp 8 1/2% 2071	10 1/2 10 1/2 10 1/2	+ 1/4
GenCorp 8 1/2% 2072	10 1/2 10 1/2 10 1/2	+ 1/4
GenCorp 8 1/2% 2073	10 1/2 10 1/2 10 1/2	+ 1/4
GenCorp 8 1/2% 2074	10 1/2 10 1/2 10 1/2	+ 1/4
GenCorp 8 1/2% 2075	10 1/2 10 1/2 10 1/2	+ 1/4
GenCorp 8 1/2% 2076	10 1/2 10 1/2 10 1/2	+ 1/4
GenCorp 8 1/2% 2077	10 1/2 10 1/2 10 1/2	+ 1/4
GenCorp 8 1/2% 2078	10 1/2 10 1/2 10 1/2	+ 1/4
GenCorp 8 1/2% 2079	10 1/2 10 1/2 10 1/2	+ 1/4
GenCorp 8 1/2% 2080	10 1/2 10 1/2 10 1/2	+ 1/4
GenCorp 8 1/2% 2081	10 1/2 10 1/2 10 1/2	+ 1/4
GenCorp 8 1/2% 2082	10 1/2 10 1/2 10 1/2	+ 1/4
GenCorp 8 1/2% 2083	10 1/2 10 1/2 10 1/2	+ 1/4
GenCorp 8 1/2% 2084	10 1/2 10 1/2 10 1/2	+ 1/4
GenCorp 8 1/2% 2085	10 1/2 10 1/2 10 1/2	+ 1/4
GenCorp 8 1/2% 2086	10 1/2 10 1/2 10 1/2	+ 1/4
GenCorp 8 1/2% 2087	10 1/2 10 1/2 10 1/2	+ 1/4
GenCorp 8 1/2% 2088	10 1/2 10 1/2 10 1/2	+ 1/4
GenCorp 8 1/2% 2089	10 1/2 10 1/2 10 1/2	+ 1/4
GenCorp 8 1/2% 2090	10 1/2 10 1/2 10 1/2	+ 1/4
GenCorp 8 1/2% 2091	10 1/2 10 1/2 10 1/2	+ 1/4
GenCorp 8 1/2% 2092	10 1/2 10 1/2 10 1/2	+ 1/4
GenCorp 8 1/2% 2093	10 1/2 10 1/2 10 1/2	+ 1/4
GenCorp 8 1/2% 2094	10 1/2 10 1/2 10 1/2	+ 1/4
GenCorp 8 1/2% 2095	10 1/2 10 1/2 10 1/2	+ 1/4
GenCorp 8 1/2% 2096	10 1/2 10 1/2 10 1/2	+ 1/4
GenCorp 8 1/2% 2097	10 1/2 10 1/2 10 1/2	+ 1/4
GenCorp 8 1/2% 2098	10 1/2 10 1/2 10 1/2	+ 1/4
GenCorp 8 1/2% 2099	10 1/2 10 1/2 10 1/2	+ 1/4
GenCorp 8 1/2% 2100	10 1/2 10 1/2 10 1/2	+ 1/4

BEARER SHARES OF
CAPITAL GROWTH COMPANY S.A.
We buy at U.S. \$1.13
We sell at U.S. \$1.13
Universal Venture Capital S.A.
c/o Box 433, Detroit, Michigan
Prices valid until June 11, 1973.

CREDIT DU NORD

The Annual General Meeting of the Shareholders of CREDIT DU NORD was held on May 2, 1973, under the chairmanship of Monsieur Louis Charles de FOUILLE.

In its address, the Chairman stated with satisfaction that the CREDIT DU NORD, in 1972, managed to overcome the structural decrease in banking margins, nevertheless managed to complete its restructuring. This reorganization created a more capable and more modern bank, able to meet the needs of its growth while relying on its new SECIL and PARIS accounting centers.

Undoubtedly, more impressive results might have been achieved by taking more advantage of the possibilities of the CREDIT DU NORD, but the bank's policy of drastic policy in connection with reserves on debts and diverse depreciations.

In a conjuncture still uncertain, one can hope that the 1973 financial year will see the first fruits of the indispensable investments made with the view of improving productivity to the greatest extent possible.

The Chairman finally stated that the work pursued in common by the CREDIT DU NORD and the UNION BANCAIRE with the object of finding a practical approach leading to their merger, is coming to an end. On the basis of their conclusions, the CREDIT DU NORD and the UNION BANCAIRE are now working as closely as possible with the interests of both the shareholders and staff.

The statement presented at the Meeting by the Board of Directors called attention to the fact that in 1972 the principal results obtained by the French economy have been satisfactory: increase of gross national product, investment efforts, improvement of international trade, high level of individual savings. However, the rise in prices has been considerable, since the year has been marked by a record increase of the money supply and distributed loans.

The accounts of the Fiscal Year presented to the shareholders reflected the developments accomplished.

The balance sheet as of December 31, 1972, which totals Fr. 9,473 million, shows a progression of 20% due particularly to the increase in Assets of Credits to customers and Portfolio Holdings. It also shows the 20% progression in liabilities over last year due to the increase in client deposits representing Fr. 6,444 million.

Maintaining in 1972 its expansion policy, the CREDIT DU NORD has placed at the disposal of its clientele some thirty new registered offices, especially in the Paris area and in the regions of LYON, NANTES, STRASBOURG, CHAMBERS, SAOIRE and ORLANS, which will soon be opened in TOULON and VALENCE. The number of branches, which increased by 23% in five years, now total 466.

The bank has invested in the major new issues of French bonds and increased its share in the issue of Eurobonds, while the distribution of the Mutual Fund shares with "SELECTION CROISSANCE OPTIMA" and "SELECTION RENDEMENT" has continued among its clientele. The Portfolio Assets of Business Firms, which are managed by the bank's subsidiary, EPARGNE EXPANSION, has increased by 52%.

The FOREIGN DEPARTMENT has pursued the development of its activities, both in regard to Foreign Trade as well as in the field of international finance. Contacts with foreign correspondents have increased while the bank participates in the conclusion of an agreement for cooperation with a German banking group.

The activity of the subsidiaries has continued and the consolidated balance sheet of the group as of December 31, 1972, totals Fr. 10,376 million compared with Fr. 7,865 million, showing a volume of client resources totaling Fr. 7,422 million (compared with Fr. 5,566 million).

The Meeting approved the accounts for this financial year which showed, after depreciation provisions and taxes, a net profit of Fr. 280,666,848, independently of a net long-term appreciation of Fr. 1,662,996, allocated to the firm's long-term appreciation reserve.

The Meeting approved the distribution of a global dividend of Fr. 6.25 per share, of which a dividend of Fr. 5.50 will be paid as of May 14, 1973, against retention of the coupon No. 36 plus a fiscal credit of Fr. 2.75 (not already paid to the Treasury).

A sum of Fr. 3,000,000 has been allocated to reserves which have been reached Fr. 88,257,082, taking into account the long-term appreciation but excluding the provision for investments amounting to Fr. 1,556,282, while on December 31, 1971, reserves after allocation totaled Fr. 85,692,769 and the provision for investments Fr. 4,726,000.

Finally, the meeting ratified the nomination of Monsieur ALBERT OUPONT-FAUVILLE as Administrator and re-elected Messieurs Jacques DESCAMPS and Pierre DIGNIE as Administrators.

International Bonds

(A weekly list of non-dollar denominated issues.)

Units of Account

DM Basis

Africa 8-85 107 106

Australia 8-85 107 106

Canada 8-85 107 106

Central Europe 8-85 107 106

China 8-85 107 106

Colombia 8-85 107 106

Cuba 8-85 107 106

Denmark 8-85 107 106

France 8-85 107 106

Germany 8-85 107 106

Greece 8-85 107 106

India 8-85 107 106

Indonesia 8-85 107 106

Italy 8-85 107 106

NEYMOONERS—James Rand Agnew, 26, son of Vice-President Agnew, with bride Cornelia, 23, of New York City, last week during their honeymoon in Italy.

S. CENEBA ACTOR,
age 35-49. Credits,
Lielano & Hollywood
Hunter Roberts, Par.

rables, cherche b
 Osvaldo. 39 R. Le 3
 Paris (chez BARRIOL
 ENGLISH AT-PAGES W
 NANTES, AVAILABLE
 PERBONNEL, 27 ORA
 BRIGHTON, U.K.
 ITALY highly recom
 Italian night cook. Fre
 Paris. Speaks Fran
 Mrs. ANNOVAZZI, 4
 Florence, Paris 11er
 URGENT BELGIAN WO
 post "Au-Pair" in O5
 France. Box 10,444. E

HELP WANTED
AMERICAN COUPLE: 2
 returning to U.S. w/2
 pair mother helps
 Conn. Conn. N. Area
 pair said. Call 1

47-13-85. Paris.
L. PAIR, NEW YORK:
Y. Light housework.